

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
 FROM Amanda Bickel, JBC Staff (303-866-4960)  
 DATE February 22, 2022  
 SUBJECT Additional Tables for Education Figure Setting February 22, 2022

Because the staff Figure Setting Document dated February 22, 2022 excludes Public School Finance and Categorical Programs, staff is providing the following additional tables to help the Committee understand the impact of changes that are being discussed on February 22 (as opposed to the much larger Public School Finance and Categorical Programs sections). The tables below include the following:

- A modified version of the Department summary that excludes Public School Finance and Categorical Programs and thus highlights changes in the sections covered on February 22.
- A subdivision summary for the Grants, Distributions, and Other Assistance subdivision of the Assistance to Public Schools section; and
- A table showing annualization of legislation in the Grants, Distributions, and Other Assistance subdivision, since this is a significant component of funding changes within the subdivision.
- In addition, staff notes that one item, **Charter School Capital Construction Assistance, was not highlighted** at the beginning of the Grants, Distributions, and Other Assistance Section. Information on this staff-initiated decision item is included in the line item detail on **page 129** of the figure setting packet. Staff requested some additional information from the Department on whether the condition of charter schools is worse than that of other schools. This information was provided on 2/22/22 as follows.

"The data appears to show that charters are in slightly better condition than district schools. Lower FCI indicates better condition. FCI calculation is building need/ building replacement value = FCI

- 1,366 total buildings assessed – Average FCI is 0.45
- 1,189 total district buildings assessed – Average FCI is 0.47
- 177 total charter buildings assessed – Average FCI is 0.31"

Given this, the JBC staff notes that the JBC or other interested legislators might want to consider modifying the current statutory set-aside for charter school capital construction.

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$6,480,159,094	\$4,294,161,543	\$1,517,903,229	\$47,339,278	\$620,755,044	614.4
HB22-1186 (Mid-year school finance)	(48,131,989)	0	(48,131,989)	0	0	0.0
<i>Total With Pub Sch. Finance &amp; Categorical Programs</i>	<i>\$6,432,027,105</i>	<i>\$4,294,161,543</i>	<i>\$1,469,771,240</i>	<i>\$47,339,278</i>	<i>\$620,755,044</i>	<i>614.4</i>
<i>Less Public School Finance</i>	<i>4,843,227,263</i>	<i>4,042,640,860</i>	<i>800,586,403</i>	-	-	<i>18.4</i>
<i>Less Categorical Programs</i>	<i>529,534,761</i>	<i>163,765,474</i>	<i>198,047,372</i>	<i>191,090</i>	<i>167,530,825</i>	<i>73.1</i>

JBC STAFF MEMO: ADDITIONAL EDUCATION FIGURE SETTING TABLES

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DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>Total Excluding Pub Sch. Finance &amp; Categorical Programs</b>	<b>\$1,059,265,081</b>	<b>\$87,755,209</b>	<b>\$471,137,465</b>	<b>\$47,148,188</b>	<b>\$453,224,219</b>	<b>522.9</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,059,265,081	\$87,755,209	\$471,137,465	\$47,148,188	\$453,224,219	522.9
R3 Operating expenses for the State Board of Education	82,074	82,074	0	0	0	0.5
R4 Departmental infrastructure	878,634	803,122	75,512	0	0	10.7
R5 CSI mill levy equalization	0	0	0	0	0	0.0
R6 Expanding resources for school improvement	1,000,000	1,000,000	0	0	0	0.0
R7 Empowering parents with information	467,374	467,374	0	0	0	1.8
R8 CSDB teacher salary increase	251,435	251,435	0	0	0	0.0
R9 CCDB dishwashing machine	65,000	65,000	0	0	0	0.0
Nonprioritized requests	(626,190)	53,566	(3,111)	(662,373)	(14,272)	(6.0)
SI Informational funds adjustment	451,676,684	0	1,340,000	23,800,000	426,536,684	0.0
SI Charter school capital construction assistance	10,392,356	0	10,392,356	0	0	0.0
Centrally appropriated line items	1,669,154	372,194	(189,511)	580,231	906,240	0.0
SI School nutrition program adjustment	250,000	250,000	0	0	0	0.0
SI Cash funds spending authority for CSI interest earnings	209,923	0	209,923	0	0	0.0
SI Indirect cost assessment	125,301	0	(120,063)	0	245,364	0.0
SI Leased space adjustment	23,776	24,277	410	(14,127)	13,216	0.0
SI Restore BEST property assessment funds	15,000	0	15,000	0	0	0.0
SI CSDB RF spending authority increase	15,000	0	0	15,000	0	0.0
SI CSDB utilities	10,155	10,155	0	0	0	0.0
SI Replace RF from State Share of Districts' Total Program Funding with GF	0	103,331	0	(103,331)	0	0.0
SI CSDB fund source adjustment	0	83,043	0	(83,043)	0	0.0
SI Move early literacy funds from training to grants line item	0	0	0	0	0	0.0
SI Indirect cost adjustments	0	(166,769)	0	166,769	0	0.0
Annualize prior year legislation	(111,580,218)	(9,832,436)	(94,978,539)	(6,862,882)	93,639	2.7
SI facility schools adjustment	(5,134,050)	0	(5,134,050)	0	0	0.0
SI Eliminate unused spending authority	(253,111)	0	(253,111)	0	0	0.0
Annualize prior year budget actions	(36,316)	4,472	(27,156)	(13,632)	0	0.0
Exclude Public School Finance/Categorical annualization items above	86,069,688	(47,145)	86,430,915	0	(314,082)	0
<b>Total Excluding Pub Sch. Finance &amp; Categorical Programs</b>	<b>\$1,494,836,750</b>	<b>\$81,278,902</b>	<b>\$468,896,040</b>	<b>\$63,970,800</b>	<b>\$880,691,008</b>	<b>532.6</b>
<i>Plus Public School Finance</i>	<i>4,926,232,456</i>	<i>4,212,076,968</i>	<i>714,155,488</i>	<i>-</i>	<i>-</i>	<i>18.4</i>
<i>Plus Categorical Programs</i>	<i>542,496,543</i>	<i>163,765,474</i>	<i>210,695,072</i>	<i>191,090</i>	<i>167,844,907</i>	<i>73.1</i>
<b>Total With Pub Sch. Finance &amp; Categorical Programs</b>	<b>\$6,963,565,749</b>	<b>\$4,457,121,344</b>	<b>\$1,393,746,600</b>	<b>\$64,161,890</b>	<b>\$1,048,535,915</b>	<b>624.1</b>

JBC STAFF MEMO: ADDITIONAL EDUCATION FIGURE SETTING TABLES

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DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE) w/o School Finance &amp; Categorical Programs</b>	<b>\$435,571,669</b>	<b>(\$6,476,307)</b>	<b>(\$2,241,425)</b>	<b>\$16,822,612</b>	<b>\$427,466,789</b>	<b>9.7</b>
Percentage Change	41.1%	(7.4%)	(0.5%)	35.7%	94.3%	1.9%

GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$903,012,699	\$36,663,512	\$436,372,347	\$8,044,184	\$421,932,656	138.4
<b>TOTAL</b>	<b>\$903,012,699</b>	<b>\$36,663,512</b>	<b>\$436,372,347</b>	<b>\$8,044,184</b>	<b>\$421,932,656</b>	<b>138.4</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$903,012,699	\$36,663,512	\$436,372,347	\$8,044,184	\$421,932,656	138.4
SI Informational funds adjustment	426,237,026	0	0	0	426,237,026	0.0
SI Charter school capital construction assistance	10,392,356	0	10,392,356	0	0	0.0
R6 Expanding resources for school improvement	1,000,000	1,000,000	0	0	0	0.0
Annualize prior year budget actions	415,090	30,083	121,554	17,091	246,362	0.0
SI School nutrition program adjustment	250,000	250,000	0	0	0	0.0
R4 Departmental infrastructure	75,512	0	75,512	0	0	1.0
SI Restore BEST property assessment funds	15,000	0	15,000	0	0	0.0
SI Move early literacy funds from training to grants line item	0	0	0	0	0	0.0
Annualize prior year legislation	(22,907,330)	(7,503,479)	(8,555,898)	(6,885,109)	37,156	(1.6)
SI facility schools adjustment	(5,134,050)	0	(5,134,050)	0	0	0.0
Nonprioritized requests	(651,922)	0	0	(651,922)	0	(6.0)
SI Eliminate unused spending authority	(253,111)	0	(253,111)	0	0	0.0
<b>TOTAL</b>	<b>\$1,312,451,270</b>	<b>\$30,440,116</b>	<b>\$433,033,710</b>	<b>\$524,244</b>	<b>\$848,453,200</b>	<b>131.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$409,438,571</b>	<b>(\$6,223,396)</b>	<b>(\$3,338,637)</b>	<b>(\$7,519,940)</b>	<b>\$426,520,544</b>	<b>(6.6)</b>
Percentage Change	45.3%	(17.0%)	(0.8%)	(93.5%)	101.1%	(2)
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$824,022,370)	\$33,268,425	\$368,013,527	\$524,244	\$422,216,174	132.3
	(\$488,428,900)	\$2,828,309	(\$65,020,183)	\$0	(\$426,237,026)	0.5

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 21-106 Successful high school transitions	\$70,037	\$70,037	\$0	\$0	\$0	0.0
SB18-200 PERA unfunded liability	59,234	4,102	14,102	3,874	37,156	0.0
HB 21-1304 Early childhood systems	1,920	1,920	0	0	0	0.1
SB 21-207 Public School Capital Construction Assistance Fund transfer	0	0	0	0	0	0.0
SB 21-275 Child Find responsibilities	(6,888,983)	0	0	(6,888,983)	0	0.0
SB 21-274 Sustainable model to serve facility students	(6,200,000)	(6,200,000)	0	0	0	0.0
HB 21-1264 Funds workforce development increase worker skills	(5,000,000)	0	(5,000,000)	0	0	0.0
SB 21-268 Public school finance	(3,500,000)	0	(3,500,000)	0	0	0.0

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ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 19-1002 Leadership professional development for school principals	(751,616)	(751,616)	0	0	0	(1.0)
HB19-1236 Workforce Diploma Pilot Program	(212,878)	(212,878)	0	0	0	(0.2)
HB 20-1032 Timing K-12 education standards review	(131,515)	(131,515)	0	0	0	0.0
HB 19-1134 Identification and Intervention Students with Dyslexia	(127,973)	(127,973)	0	0	0	0.0
SB 21-151 Literacy curriculum transparency	(70,000)	0	(70,000)	0	0	0.0
HB 21-1087 Teaching and learning conditions survey	(53,500)	(53,500)	0	0	0	0.0
HB 08-1384 Teacher quality recruitment retention	(50,000)	(50,000)	0	0	0	0.0
SB 21-185 Supporting educator workforce in CO	(45,546)	(45,546)	0	0	0	(0.5)
HB 21-1200 Revise student financial literacy standards	(4,888)	(4,888)	0	0	0	(0.1)
HB 21-1234 Supplemental education high impact tutoring	(1,622)	(1,622)	0	0	0	0.1
<b>TOTAL</b>	<b>(\$22,907,330)</b>	<b>(\$7,503,479)</b>	<b>(\$8,555,898)</b>	<b>(\$6,885,109)</b>	<b>\$37,156</b>	<b>(1.6)</b>

# JOINT BUDGET COMMITTEE



## STAFF FIGURE SETTING FY 2022-23

### DEPARTMENT OF EDUCATION (Programs *other than* School Finance and Categorical Programs)

JBC WORKING DOCUMENT - SUBJECT TO CHANGE  
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:  
AMANDA BICKEL, JBC STAFF  
FEBRUARY 22, 2022

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## HOW TO USE THIS DOCUMENT

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables. Decision items, both department-requested items and staff-initiated items, are discussed at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.



## DEPARTMENT OVERVIEW

The elected members of the State Board of Education are responsible for the general supervision of public schools throughout Colorado. The Commissioner of Education, appointed by the State Board, advises the State Board concerning the operation and status of public schools and serves as the executive officer of the Department of Education. Among other tasks and responsibilities, the Department supports the Board in its duties by:

- Accrediting public schools and school districts.
- Developing and maintaining state model academic content standards and administering associated student assessments for certain subject areas and grade levels.
- Issuing school and district performance reports for every public school and school district in the state.

The Department also administers a number of education-related programs, including: educator licensure and professional development; the School Finance Act and the distribution of state and federal funds to school districts; special education for children with disabilities; English language proficiency programs; the Colorado Preschool Program; educator effectiveness and evaluation programs; and adult basic education programs.

The Department includes three independent agencies: (1) the Board of Trustees for the Colorado School for the Deaf and the Blind; (2) the State Charter School Institute Board, which is responsible for authorizing and monitoring the operations of institute charter schools located within certain school districts; and (3) the Public School Capital Construction Assistance Board, which is responsible for assessing public school capital construction needs statewide and making recommendations concerning the prioritization and allocation of state financial assistance for school construction projects.

In addition to its duties related to public schools, the Department is charged with promoting the improvement of library services statewide to ensure equal access to information, including providing library services to persons who reside in state-funded institutions and to persons who are blind or physically disabled.

## SUMMARY OF STAFF RECOMMENDATIONS

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$6,480,159,094	\$4,294,161,543	\$1,517,903,229	\$47,339,278	\$620,755,044	614.4
HB22-1186 (Mid-year school finance)	(48,131,989)	0	(48,131,989)	0	0	0.0
<b>TOTAL</b>	<b>\$6,432,027,105</b>	<b>\$4,294,161,543</b>	<b>\$1,469,771,240</b>	<b>\$47,339,278</b>	<b>\$620,755,044</b>	<b>614.4</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$6,432,027,105	\$4,294,161,543	\$1,469,771,240	\$47,339,278	\$620,755,044	614.4
R1/BA1 State share of total program increase with mid-year adjustment	169,388,963	169,388,963	0	0	0	0.0
R2 Categorical programs increase	12,647,700	0	12,647,700	0	0	0.0

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
R3 Operating expenses for the State Board of Education	82,074	82,074	0	0	0	0.5
R4 Departmental infrastructure	878,634	803,122	75,512	0	0	10.7
R5 CSI mill levy equalization	0	0	0	0	0	0.0
R6 Expanding resources for school improvement	1,000,000	1,000,000	0	0	0	0.0
R7 Empowering parents with information	467,374	467,374	0	0	0	1.8
R8 CSDB teacher salary increase	251,435	251,435	0	0	0	0.0
R9 CCDB dishwashing machine	65,000	65,000	0	0	0	0.0
Nonprioritized requests	(626,190)	53,566	(3,111)	(662,373)	(14,272)	(6.0)
SI Informational funds adjustment	451,676,684	0	1,340,000	23,800,000	426,536,684	0.0
SI Charter school capital construction assistance	10,392,356	0	10,392,356	0	0	0.0
Centrally appropriated line items	1,669,154	372,194	(189,511)	580,231	906,240	0.0
SI School nutrition program adjustment	250,000	250,000	0	0	0	0.0
SI Cash funds spending authority for CSI interest earnings	209,923	0	209,923	0	0	0.0
Indirect cost assessment	125,301	0	(120,063)	0	245,364	0.0
SI Leased space adjustment	23,776	24,277	410	(14,127)	13,216	0.0
SI Restore BEST property assessment funds	15,000	0	15,000	0	0	0.0
SI CSDB RF spending authority increase	15,000	0	0	15,000	0	0.0
SI CSDB utilities	10,155	10,155	0	0	0	0.0
SI Replace RF from State Share of Districts' Total Program Funding with GF	0	103,331	0	(103,331)	0	0.0
SI CSDB fund source adjustment	0	83,043	0	(83,043)	0	0.0
SI Move early literacy funds from educator training to grants line item	0	0	0	0	0	0.0
SI Indirect cost adjustments	0	(166,769)	0	166,769	0	0.0
Annualize prior year legislation	(111,580,218)	(9,832,436)	(94,978,539)	(6,862,882)	93,639	2.7
SI facility schools adjustment	(5,134,050)	0	(5,134,050)	0	0	0.0
SI Eliminate unused spending authority	(253,111)	0	(253,111)	0	0	0.0
Annualize prior year budget actions	(36,316)	4,472	(27,156)	(13,632)	0	0.0
<b>TOTAL</b>	<b>\$6,963,565,749</b>	<b>\$4,457,121,344</b>	<b>\$1,393,746,600</b>	<b>\$64,161,890</b>	<b>\$1,048,535,915</b>	<b>624.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$531,538,644</b>	<b>\$162,959,801</b>	<b>(\$76,024,640)</b>	<b>\$16,822,612</b>	<b>\$427,780,871</b>	<b>9.7</b>
Percentage Change	8.3%	3.8%	(5.2%)	35.5%	68.9%	1.6%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$6,609,532,374</b>	<b>\$4,302,989,039</b>	<b>\$1,634,426,882</b>	<b>\$50,404,631</b>	<b>\$621,711,822</b>	<b>619.7</b>
Request Above/(Below) Recommendation	(\$354,033,375)	(\$154,132,305)	\$240,680,282	(\$13,757,259)	(\$426,824,093)	(4.4)

## DESCRIPTION OF INCREMENTAL CHANGES

**R3 OPERATING EXPENSES FOR THE STATE BOARD OF EDUCATION:** The request includes \$124,497 General Fund and 0.5 FTE, annualizing to \$127,295 General Fund and 0.5 FTE in FY 2023-24 and ongoing, for the following costs: \$27,200 for additional expenses for two new board members, required due to the addition of an eighth congressional district representative and an at-large member; \$39,960 for a security contract for two state troopers to staff the Board's in-person meetings (hourly contracts for twice per month meetings); and \$57,337 and 0.5 FTE for information technology technical support during board meetings, including related operating costs. The staff recommendation is for \$82,074 General Fund and 0.5 FTE annualizing to \$94,077 General Fund plus centrally-appropriated amounts in FY 2023-24. The staff recommendation is summarized in the table below. The recommendation differs from the request based on a lower assumption for expenses for the new at-large Board member and pro-rating board member costs in the first year, since the new board

members will not serve until January 2023. The recommendation also differs from the request based on Committee common policy to exclude centrally-appropriated funding for new FTE in the first year and to fund new positions at the base minimum salary. The request reflected an increase of 40.0 percent above the FY 2021-22 appropriation for the State Board of Education, while the staff recommendation includes a 29.5 percent increase when annualized in the second year.

STAFF RECOMMENDATION R3 OPERATING EXPENSES STATE BOARD OF EDUCATION		
	FY 2022-23	FY 2023-24
Board Member Expenses	\$10,500	\$21,000
Troopers (2 troopers, \$90/hour, 222 hours per year)	39,960	39,960
0.5 IT position, year 1, excluding "pots"	31,614	33,117
<b>TOTAL Line Item Adjustment</b>	<b>\$82,074</b>	<b>\$94,077</b>
Estimated Centrally Appropriated Funding (Year 2)	0	7,921
<b>Total Decision Item Cost (General Fund)</b>	<b>\$82,074</b>	<b>\$101,998</b>

**R4 DEPARTMENTAL INFRASTRUCTURE:** The request includes \$648,145 total funds and 6.2 FTE, including \$551,972 General Fund and \$96,173 cash funds (Public School Capital Construction Assistance Fund), annualizing to \$669,105 total funds, including \$574,932 General Fund and \$94,173 cash funds, and 6.7 FTE for additional staff to meet increased statutory requirements and serve school districts' ongoing programmatic needs. Department responsibilities have grown over the last 17 years, due largely to legislative actions, and the Department therefore requests funding for infrastructural support staff, including 2.0 purchasing agents, 0.5 human resources officers, 1.0 payroll support officer, 1.0 data and evaluation lead, 1.0 BEST regional program manager, 0.5 communications professionals, and 0.7 FTE for a senior consultant to help support the Colorado Commission on Indian Affairs. In addition, the Department proposes to add 5.0 FTE information management systems staff using existing FTE and reappropriated funds spending authority from indirect cost collections. The staff recommendation is for \$878,634, including \$803,122 General Fund and \$75,512 cash funds, and 10.7 FTE in FY 2022-23, annualizing to \$941,987 total funds, including \$866,475 General Fund and \$75,512 cash funds, plus an estimated \$196,509 in centrally appropriated amounts, to support 11.7 FTE in FY 2023-24. The largest difference between the request and recommendation is that the recommendation explicitly recognizes the new information management systems staff as an increase in state FTE supported with General Fund. The recommendation also complies with common policy in excluding centrally appropriated amounts from funding in the first year, although positions are funded at the salary levels requested, which differs from the Committee common policy of funding new positions at the salary range minimum.

**R5 CSI MILL LEVY EQUALIZATION:** The request includes a \$10,000,000 General Fund increase, representing a 111% funding increase, for mill levy equalization for Charter School Institute (CSI) charter schools. Reappropriated funds included in the request double-count this figure. Many school districts throughout the state have received voter permission to raise local tax revenue above the approved state per-pupil operating revenue amount (PPOR). However, charter schools that are authorized by the CSI instead of their local school district do not have access to such additional local mill levy support. The General Assembly currently provides \$9.0 million General Fund to help address the disparate revenue available to CSI charter schools versus schools operating within the same region that are authorized by their local school district. The request would increase this contribution, reducing the gap in per pupil funding available for CSI schools compared to other public schools. The staff recommendation does not include this requested increase.

**R6 EXPANDING RESOURCES FOR SCHOOL IMPROVEMENT:** The request includes \$2,000,000 General Fund to expand access to existing and new evidence-based supports for schools identified as underperforming under the Colorado state accountability system. The increase is projected to serve an additional 38 schools every year, beyond the 21 state-identified schools and 9 districts with state-identified schools last year. Each year, the Department is unable to provide high-quality, intensive support to all schools identified by the state accountability system due to limited resources. In 2019-20, 100 schools were identified using the state accountability criteria (as opposed to the parallel, but different, federal criteria), and schools identified through the state system may only be served using state resources. The increase will allow more schools and school districts to participate in the program, with the goal of improving student outcomes. The staff recommendation includes an increase of \$1,000,000 General Fund, rather than \$2,000,000, in light of the limited evidence that these programs are effective, uncertainty about changes to the state's accountability system, to which this program is tied, and the current availability of flexible federal ESSER funds to support school improvement efforts.

**R7 EMPOWERING PARENTS WITH INFORMATION:** The request includes \$526,315 General Fund and 1.8 FTE, annualizing to \$257,763 General Fund and 2.0 FTE in FY 2023-24 and beyond, to improve data quality, accessibility, and transparency in the State's school and district dashboard, Schoolview. The request will replace the current outdated technology and make it easier for parents to find and understand and will increase accessibility for people with disabilities. The current SchoolView system was added in 2001 and uses Oracle Application Development Framework technology, which is difficult and costly for the Department to maintain. Over the past seven years, the Department has strategically improved sections of the data infrastructure to align with various modernization efforts. The additional FTE who would be added with this request will facilitate the buildout of the presentation layer of state's data warehouse, ensuring full use of the new reporting capabilities available via a previously-acquired Tableau Server. The funding will enable the State to hire a data warehouse designer/developer and will also enable the Department to contract externally for specialized skills needed to expedite the SchoolView improvement process. Staff recommends \$467,374 General Fund and 1.8 FTE, annualizing to \$159,867 General Fund and 1.5 FTE, plus centrally-appropriated amounts, in FY 2023-24. This amount will further annualize to \$119,283 and 1.0 FTE, plus centrally appropriated amounts, in FY 2024-25. The recommendation also complies with common policy in excluding centrally appropriated amounts from funding in the first year, although positions are funded at the salary levels requested, which differs from the Committee common policy of funding new positions at the salary range minimum.

**R8 CSDB TEACHER SALARY INCREASE:** The Colorado School for the Deaf and Blind (CSDB) requests an increase of \$288,614 General Fund to provide staff step increases and provide incentives for hard-to-fill positions, consistent with the Colorado Springs District 11 pay scale. The District 11 Board of Education and the Colorado Springs Education Association agreed to the following: a 1.5 percent increase to the salary schedule, with a B.A. teacher Step 1 salary starting at \$40,200; teachers will receive one step movement on the step system, equating to approximately a 2.0 percent increase; and teachers will receive a 3.0 percent one-time non-recurring compensation payment. The CSDB requests funding to match these adjustment and also requests a salary increment for all of its teaching positions, based on considering them "hard to fill". Staff recommends an increase of \$251,435 General Fund for FY 2022-23, annualizing to \$145,625 in FY 2023-24. The staff recommendation limits the salary increment of \$1,377 to those teachers who are not already receiving such an increment. The

staff recommendation also eliminates funding associated with the 3.0 percent non-recurring bonus in FY 2023-24.

**R9 CSDB DISHWASHING MACHINE:** The CSDB requests a one time appropriation of \$65,000 General Fund to replace its industrial dish washing machine. The school's current dishwashing machine is over 18 years old, and the CSDB has difficulty finding parts when the machine breaks down. For student safety, the school needs an industrial machine that sterilizes a large volume of dishes, and it does not have sufficient funds to purchase a new machine within its current budget. Staff recommends this request.

**NONPRIORITIZED REQUESTS:** The request includes several nonprioritized requests, summarized in the table below. These requests are driven by common policy or budget requests in other departments that affect appropriations required in this department. Committee decisions on most of these items were pending at the time this document was printed, so amounts shown are the request.

NONPRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Food service and housekeeping comp request	\$30,247	\$30,247	\$0	\$0	\$0	0.0
DPA Paid Family Medical Leave Act Funding	29,961	29,961	0	0	0	0.0
DPA CSEAP resources	7,564	7,564	0	0	0	0.0
OIT Budget request package	6,861	4,163	1,021	1,677	0	0.0
NP BA 4 Transfer Department of Early Childhood	(651,922)	0	0	(651,922)	0	(6.0)
BANP COWINS Partnership Agreement	(28,009)	(5,696)	(1,021)	(7,020)	(14,272)	0.0
BANP OIT CBMS Admin costs	(20,892)	(12,673)	(3,111)	(5,108)	0	0.0
<b>TOTAL</b>	<b>(\$626,190)</b>	<b>\$53,566</b>	<b>(\$3,111)</b>	<b>(\$662,373)</b>	<b>(\$14,272)</b>	<b>(6.0)</b>

**SI INFORMATIONAL FUNDS ADJUSTMENT:** This staff-initiated (SI) adjustment primarily incorporates a change to reflect school districts' expected expenditures of federal Elementary and Secondary School Emergency Relief (ESSER) funds. Expenditures of \$450.0 to \$500.0 million from these federal stimulus funds are anticipated each year in FY 2021-22, FY 2022-23, and FY 2023-24. The recommendation also includes other adjustments to align with recent federal funds expenditures in the Appropriated Sponsored Programs line item and the Schools of Choice line item. Finally, the recommendation reflects adjustments to more accurately depict spending from Charter School Institute cash and reappropriated sources that are shown for informational purposes.

SI INFORMATIONAL FUNDS ADJUSTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Adjust Appropriated Sponsored Programs	\$426,237,026	\$0	\$0	\$0	\$426,237,026	0.0
CSI informational funds adjustments	25,140,000	0	1,340,000	23,800,000	0	0.0
Adjust Schools of Choice Info funds	299,658	0	0	0	299,658	0.0
<b>TOTAL</b>	<b>\$451,676,684</b>	<b>\$0</b>	<b>\$1,340,000</b>	<b>\$23,800,000</b>	<b>\$426,536,684</b>	<b>0.0</b>

**SI CHARTER SCHOOL CAPITAL CONSTRUCTION ASSISTANCE:** The recommendation includes an increase for the State Aid for Charter School Facilities line item based on a statutory formula adopted in H.B. 19-1055. This formula annually adjusts the share of funding for public school capital

construction assistance that is directed to charter school facilities from the State Education Fund and Marijuana Excise Tax revenue.

**CENTRALLY APPROPRIATED LINE ITEMS:** The request includes adjustments to centrally-appropriated line items, as detailed in the table below.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$1,563,472	\$556,834	\$215,041	\$156,919	\$634,678	0.0
Payment to risk management and property funds	434,714	434,714	0	0	0	0.0
DPA Paid family leave	106,042	37,264	13,122	12,340	43,316	0.0
Capitol Complex leased space	73,499	29,198	8,805	7,148	28,348	0.0
Health, life, and dental	55,461	(293,673)	(103,987)	273,546	179,575	0.0
Shift differential	45,244	45,244	0	0	0	0.0
CORE adjustment	4,744	2,372	1,838	534	0	0.0
Payments to OIT	(276,781)	(167,897)	(41,212)	(67,672)	0	0.0
Legal services	(155,936)	(90,138)	(61,797)	(4,001)	0	0.0
PERA Direct Distribution	(55,189)	(24,807)	(46,717)	16,335	0	0.0
AED	(47,645)	(71,489)	(82,111)	91,976	13,979	0.0
SAED	(47,645)	(71,489)	(82,111)	91,976	13,979	0.0
Workers' compensation	(22,206)	(10,669)	(2,897)	(750)	(7,890)	0.0
AIJ services	(5,810)	0	(4,807)	(1,003)	0	0.0
Short-term disability	(2,072)	(2,532)	(2,678)	2,883	255	0.0
Vehicle lease payments	(738)	(738)	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,669,154</b>	<b>\$372,194</b>	<b>(\$189,511)</b>	<b>\$580,231</b>	<b>\$906,240</b>	<b>0.0</b>

**SI SCHOOL NUTRITION PROGRAM ADJUSTMENT:** The recommendation provides an increase of \$250,000 General Fund for school nutrition programs, partially restoring a \$550,000 General Fund reduction applied in FY 2021-22. The increase is expected to be sufficient to fully cover state costs for the Child Nutrition School Lunch Protection Program based on the assumption that federal nutrition programs will return to normal operations in FY 2022-23 and the Department's long-term demand projections. This program provides a state subsidy to provide free lunch for students who otherwise qualify for reduced price lunch under federal rules.

**SI CASH FUNDS SPENDING AUTHORITY FOR CSI INTEREST EARNINGS:** The recommendation adds \$209,923 cash funds spending authority to enable the Charter School Institute (CSI) to spend interest that accumulates in the Mill Levy Override Equalization Fund. Because expenditures from this fund are subject to appropriation, CSI cannot spend the money without an appropriation. The amount is based on the interest projected to be available in the fund at the end of FY 2021-22.

**SI INDIRECT COST ASSESSMENT:** The recommendation includes an increase of \$125,301 in the indirect cost assessments projected to be earned by the Department in FY 2022-23.

**SI LEASED SPACE ADJUSTMENT:** The recommendation includes an increase of \$23,776 total funds in the Department's leased space payments for FY 2022-23.

**SI RESTORE BEST PROPERTY ASSESSMENT FUNDS:** The recommendation restores a \$15,000 cash funds appropriation from the Public School Capital Construction Assistance Fund to enable the Building Excellent Schools Today (B.E.S.T.) program to increase assessments to determine the facility

condition of Colorado schools. This amount was reduced from the program in FY 2020-21 as a budget balancing measure.

**SI CSDB RF SPENDING AUTHORITY INCREASE:** The recommendation increases reappropriated funds spending authority for the Colorado School for the Deaf and the Blind (CSDB) by \$15,000 from funds allocated from state and federal categorical program funding. This will enable CSDB to receive and use additional funding transferred from categorical program line items if warranted based on CSDB's student enrollment.

**SI CSDB UTILITIES:** The recommendation continues a FY 2021-22 supplemental adjustment for CSDB utilities in FY 2022-23 and provides an additional appropriation of \$10,155 General Fund. The change addresses increases in charges for natural gas from Colorado Springs utilities.

**SI REPLACE RF FROM STATE SHARE OF DISTRICTS' TOTAL PROGRAM FUNDING WITH GF:** The recommendation replaces \$103,331 reappropriated funds in the Information Technology Services line item with General Fund. In FY 2021-22, the General Assembly modified appropriations that used money from the State Share of Districts' Total Program Funding line item to support Department administration. These changes restored direct General Fund support for the administrative line items, allowing the appropriations in the State Share of Districts' Total Program funding to be distributed to school districts. An appropriation in the Information Technology Services line item was inadvertently left out of this change; the staff recommendation would therefore adjust this line item beginning in FY 2022-23.

**SI CSDB FUND SOURCE ADJUSTMENT:** The recommendation reflects a reduction of \$83,043 reappropriated funds anticipated to be earned by the Colorado School for the Deaf and the Blind from the facility schools funding line item, based on a decline in enrollment, and increases funding from the General Fund by the same amount. This represents a preliminary recommendation that may be modified pending a plan from the CSDB for reducing expenditures in FY 2022-23 in light of enrollment declines.

**SI MOVE EARLY LITERACY FUNDS FROM EDUCATOR TRAINING TO GRANTS LINE ITEM:** The recommendation reduces the appropriation for Early Literacy Program Evidence Based Training Provided to Teachers by \$1,000,000 cash funds from the Early Literacy Fund and increases the appropriation for the Early Literacy Program Competitive Grant Program by \$1,000,000 from the Early Literacy Fund. The appropriation required for Evidence Based Training has declined due to the move to on-line training programs. The change will increase funding in the Grants line item from \$7,500,000 to \$8,500,000.

**SI INDIRECT COST ADJUSTMENTS:** The recommendation includes adjustments to apply indirect costs earned in FY 2022-23 and \$500,000 from the Indirect Costs Excess Recoveries Fund to offset General Fund otherwise required. These adjustments allow an additional \$166,769 General Fund to be offset with indirect cost recoveries in FY 2022-23, after accounting for increases in the use of indirect cost recoveries in centrally appropriated line items.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the out-year impacts of prior year legislation. The largest component is a reduction of \$91.4 million cash funds to annualize the mid-year school finance adjustment, but the appropriation also includes many other adjustments related to prior year legislation, as reflected in the table below.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 20-1427 Cigarette tobacco and nicotine tax	\$5,000,000	\$0	\$5,000,000	\$0	\$0	0.0
SB18-200 PERA unfunded liability	225,897	80,936	25,221	26,101	93,639	0.0
SB 21-185 Supporting educator workforce in CO	97,254	97,254	0	0	0	1.4
SB 21-106 Successful high school transitions	70,037	70,037	0	0	0	0.0
HB 21-1304 Early childhood systems	1,920	1,920	0	0	0	0.1
SB 21-207 Public School Capital Construction Assistance Fund transfer	0	0	0	0	0	0.0
SB 21-115 Annual funding for talking book library services	0	0	0	0	0	2.7
Annualize HB 22-1186 Mid-year SF	(91,433,760)	0	(91,433,760)	0	0	0.0
SB 21-275 Child Find responsibilities	(6,888,983)	0	0	(6,888,983)	0	0.0
SB 21-274 Sustainable model to serve facility students	(6,200,000)	(6,200,000)	0	0	0	0.0
HB 21-1264 Funds workforce development increase worker skills	(5,000,000)	0	(5,000,000)	0	0	0.0
SB 21-268 Public school finance	(3,003,081)	496,919	(3,500,000)	0	0	0.0
HB 21-1104 Extend Educator License Fees	(2,922,976)	(2,922,976)	0	0	0	0.0
HB 19-1002 Leadership professional development for school principals	(751,616)	(751,616)	0	0	0	(1.0)
HB19-1236 Workforce Diploma Pilot Program	(212,878)	(212,878)	0	0	0	(0.2)
HB 20-1032 Timing K-12 education standards review	(131,515)	(131,515)	0	0	0	0.0
HB 19-1134 Identification and Intervention Students with Dyslexia	(127,973)	(127,973)	0	0	0	0.0
SB 21-151 Literacy curriculum transparency	(70,000)	0	(70,000)	0	0	0.0
HB 21-1087 Teaching and learning conditions survey	(53,500)	(53,500)	0	0	0	0.0
HB 21-1294 K-12 Accountability systems performance audit	(52,000)	(52,000)	0	0	0	0.0
HB 08-1384 Teacher quality recruitment retention	(50,000)	(50,000)	0	0	0	0.0
HB 21-1273 CDE report on school psychologists	(35,000)	(35,000)	0	0	0	0.0
HB 21-1010 Diverse K-12 educator workforce report	(20,115)	(20,115)	0	0	0	(0.3)
SB 21-056 Expand cannabis-based medicine at schools	(15,419)	(15,419)	0	0	0	0.0
HB 21-1200 Revise student financial literacy standards	(4,888)	(4,888)	0	0	0	(0.1)
HB 21-1234 Supplemental education high impact tutoring	(1,622)	(1,622)	0	0	0	0.1
<b>TOTAL</b>	<b>(\$111,580,218)</b>	<b>(\$9,832,436)</b>	<b>(\$94,978,539)</b>	<b>(\$6,862,882)</b>	<b>\$93,639</b>	<b>2.7</b>

**SI FACILITY SCHOOLS ADJUSTMENT:** The recommendation reduces the appropriation in the Facility Schools Funding line item by \$5,134,050 cash funds from the State Education Fund to more closely align the appropriation with enrollment in facilities schools, which has declined dramatically. Staff also recommends legislation and a set-aside that would distribute this \$5.1 million as a one-time allocation to facility schools (and possibly similar providers), pending recommendations from the Facility Schools Workgroup and an anticipated change to the method for funding facility schools in FY 2023-24.



**SI ELIMINATE UNUSED SPENDING AUTHORITY:** The recommendation reduces \$253,111 cash funds spending authority from gifts, grants, and donations in the Appropriated Sponsored Programs line item, leaving a total appropriation of \$2,500,000 cash funds, to more closely align amounts in the Long Bill with recent actual receipts and expenditures.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impacts of prior year budget actions. In this department, this reflects the second year impact of FY 2021-22 salary survey awards.

## MAJOR DIFFERENCES FROM THE REQUEST

The recommendation includes the following major differences from the *request* for the portions of the Department budget addressed in this figure setting packet:

- The largest difference is that the staff recommendation adds \$451.7 million in informational funds, primarily to reflect the impact of federal Elementary and Secondary School Emergency Relief (ESSER) funds, which are expected to drive \$450.0 to \$500.0 million in additional spending by school districts in FY 2021-22, FY 2022-23, and FY 2023-24. Department staff indicate that this estimate is consistent with their expectations.
- The recommendation does not include a requested \$10.0 million General Fund increase for Request R5 Charter School Institute Mill Levy Equalization.
- The recommendation includes a \$1.0 million General Fund increase, rather than a \$2.0 million General Fund increase, for R6 Expanding Resources for School Improvement.
- The recommendation adds \$878,534 total funds, including \$803,122 General Fund, for the R4 Departmental Infrastructure request and reflects 10.7 FTE, annualizing to 11.7 FTE in FY 2023-24. While the request from the State Board of Education reflected adding this number of FTE and associated funding, the request from the Governor's Office was for \$648,145, including \$551,972 General Fund, and 6.2 FTE annualizing to 6.7 FTE. The request did not explicitly include Information Management Services FTE (4.5 FTE, annualizing to 5.0 FTE in FY 2023-24) but instead proposed that these staff be funded by replacing unused existing spending authority with indirect cost recoveries.
- The recommendation adds \$10.4 million cash funds for Charter School Capital Construction Assistance based on statutory formulas.
- The recommendation reduces \$5.1 million cash funds for facility school funding, based on reduced enrollment projections, and includes a recommendation for a bill and \$5.1 million cash funds placeholder to provide additional one-time supplemental payments to facility schools, and possibly similar providers, in FY 2022-23.
- The recommendation adds \$250,000 General Fund to ensure adequate funding is available for the Child Nutrition School Lunch Protection Program if, as expected, federal nutrition programs return to normal operations in FY 2022-23.
- The staff recommendation includes corrections to some of the Department's calculations for the second year impact of prior year legislation. Among other changes, the recommendation eliminates \$2.9 million General Fund provided on a one-time basis in FY 2021-22 through H.B. 21-1104 (Extend Educator License Fees).
- The recommendation includes updates to indirect cost estimates and incorporates additional spending of \$500,000 from the Indirect Costs Excess Recoveries Fund, which offsets General Fund otherwise required.

- For the requests for new FTE, the staff recommendation provides less funding in the first year because, consistent with common policy, centrally appropriated amounts are not provided in the first year.
- The recommendation reflects Committee common policy for centrally appropriated amounts, which in some cases differ from the request.
- The recommendation adds \$209,923 cash funds spending authority to enable the Charter School Institute to spend interest earnings.
- The recommendation includes multiple additional smaller adjustments that were not included in the official request including various adjustments to fund sources.

## DECISION ITEMS AFFECTING MULTIPLE DIVISIONS

### → R4 DEPARTMENTAL INFRASTRUCTURE

*REQUEST:* The request that came from the Office of State Planning and Budgeting includes \$648,145 total funds and 6.2 FTE, including \$551,972 General Fund and \$96,173 cash funds (Public School Capital Construction Assistance Fund), annualizing to \$669,105 total funds, including \$574,932 General Fund and \$94,173 cash funds, and 6.7 FTE for additional staff to meet increased statutory requirements and serve school districts' ongoing programmatic needs. Department responsibilities have grown over the last 17 years, due largely to legislative actions, and the Department therefore requests funding for infrastructural support staff, including 2.0 purchasing agents, 0.5 human resources officers, 1.0 payroll support officer, 1.0 data and evaluation lead, 1.0 BEST regional program manager, 0.5 communications professionals, and 0.7 FTE for a senior consultant to help support the Colorado Commission on Indian Affairs.

In August 2021, the State Board of Education also discussed and voted to approve this request (vote of 5-2). However, the State Board of Education's vote explicitly incorporated an additional 5.0 FTE information management services staff, for a total operating request of \$1,323,594 and 11.65. *Most of the detail on this portion of the request was deleted in the formal submission from OSPB.* The formal request from OSPB simply states that "there are also significant needs within the Information Management Services (IMS) unit, but it is proposed that these needs be met by utilizing existing reappropriated spending authority and funding it with indirect cost recoveries (current indirect cost recovery revenues are sufficient to cover this immediate need)".

*RECOMMENDATION:* Staff recommends adding an appropriation of \$878,634 total funds, including \$803,122 General Fund and \$75,512 cash funds from the Public School Capital Construction Assistance Fund and 10.7 FTE. This decision item would annualize to \$941,987 total funds, including \$866,475 General Fund and 11.7 FTE, plus centrally appropriated amounts, for FY 2023-24. See the table below for detail.

Staff views this request as having three components.

- 1 The request for 6.2 FTE, annualizing to 6.7 FTE, funded with General Fund and cash funds that are part of the official request presented by OSPB. Much of this request is similar to a request that the Committee considered and largely approved through the FY 2020-21 figure setting process, before the COVID-19 pandemic led the increase to be rescinded. **Staff recommends the request, with adjustments to exclude centrally-appropriated amounts in the first year,**

**consistent with common policy**, and small differences related to use of LCS, rather than OSPB FTE templates. Staff recommends the B.E.S.T. position be time-limited to FY 2022-23 and FY 2023-24 but may be extended depending upon revenue available and thus the scale of the program.

- 2 A request to exchange "existing reappropriated spending authority" for indirect cost recoveries, which is acknowledged in request documents but without accompanying detail. **Staff does not recommend this component of the request.** Decisions about the use of indirect cost recoveries, which offset General Fund otherwise required, should be treated as independent from a decision about whether or not to add new staff.
  
- 3 A request for 5.0 FTE for Information Management Services that is formally requested by the State Board of Education. Whether this is part of the OSPB request is unclear, since OSPB acknowledges a need without accompanying detail. **Staff recommends the FTE request as provided by the Department of Education and recommends funding these positions with General Fund. If the Committee is not comfortable authorizing such large increase in the Department staffing, JBC staff recommends that the Department be asked to prioritize its needs among the total FTE requested.** While the OSPB request could be interpreted as viewing the IT portion of the request as of secondary importance, staff believes that many of the new IT positions requested could reasonably be prioritized above the ones formally submitted by the OSPB.

The table below summarizes the costs associated with the staff recommendation in the first and second year. All positions are recommended as General Fund, except the B.E.S.T time-limited position, which is recommended as a cash-funded position. There are small differences between the OSPB-based FTE templates provided to staff by the Department and the staff recommendation, because staff used Legislative Council Staff templates.

STAFF RECOMMENDATION - REQUEST R4 - DEPARTMENTAL INFRASTRUCTURE					
	UNIT COSTS ANNUAL SALARY/FTE	FY 2022-23		FY 2023-24*	
		FTE	SALARY, PERA, MEDICARE	FTE	SALARY, PERA, MEDICARE
Purchasing Agent III	\$64,596	1.8	\$133,762	2.0	\$145,922
Human Resources Spec V	102,528	0.5	53,077	0.5	57,902
Accountant I	55,896	0.9	57,873	1.0	63,134
Mktg & Comm Spec III	52,440	0.5	27,148	0.5	36,480
Senior Consultant (Evaluation)	73,752	0.9	76,361	1.0	83,302
Senior Consultant (Indian Affairs)	64,596	0.6	46,817	0.7	51,073
Senior Consultant (BEST)	64,596	1.0	72,962	1.0	72,962
IT Professional	73,104	1.8	151,380	2.0	165,142
IT Professional	88,764	1.8	183,808	2.0	200,518
Admin Assistant III	44,052	0.9	45,611	1.0	49,757
<b>Total</b>		<b>10.7</b>	<b>\$848,799</b>	<b>11.7</b>	<b>\$926,192</b>
	Cost per FTE				
Operating (supplies, telephone, software)	\$1,350	11.7	15,795	11.7	15,795
Computer	1,200	11.7	14,040	11.7	0
Capital outlay	5,000		not requested		not requested
<b>Total in Line Items</b>		<b>10.7</b>	<b>\$878,634</b>	<b>11.7</b>	<b>\$941,987</b>
General Fund			803,122		866,475

STAFF RECOMMENDATION - REQUEST R4 - DEPARTMENTAL INFRASTRUCTURE				
	UNIT COSTS	FY 2022-23		FY 2023-24*
Cash Funds		75,512		75,512
<i>Estimated Benefits (Year 2, Centrally Appropriated)</i>	Cost per FTE			
Insurance	\$10,000	not included yr 1		117,000
Short-term Disability	0.17%	not included yr 1		45,795
Supplemental PERA	10.0%	not included yr 1		33,714
<b>Total Including Estimated Benefits</b>		<b>\$878,634</b>		<b>1,139,265</b>
<b>By Line Item</b>				
General Department and Program Administration				
General Fund		5.2	\$409,573	5.7 \$445,508
Information Technology Services				
General Fund		4.5	\$393,549	5.0 \$422,167
Division of Public School Capital Construction Assistance				
Cash Funds - PSCCAF*		1.0	\$75,512	1.0 \$74,312
Total		10.7	<b>\$878,634</b>	11.7 <b>\$941,987</b>

\*Reflects ongoing amounts, except B.E.S.T. position, which is recommended as time-limited to FY 2022-23 and FY 2023-24.

*ANALYSIS:*

**BACKGROUND: 10 YEAR GROWTH IN AFFECTED CDE ADMINISTRATIVE LINE ITEMS**

For context the table below shows the 10-year growth in the major administrative line items affected by this request, versus the overall growth in CDE appropriated FTE. It is important to note that departments are not strictly held to the FTE figures in the Long Bill, and the Department does not appear to have consistently used all of this FTE authority in the Information Technology Services line item, instead directing some dollars to maintenance and other contracts; however, this is the best information available about what the General Assembly *believes* it is funding.

NEW FTE REQUESTED FOR MANAGEMENT AND IT SERVICES VERSUS TOTAL DEPARTMENT FTE GROWTH					
	GENERAL MANAGEMENT & ADMINISTRATION FTE	INFORMATION TECHNOLOGY SERVICES FTE	TOTAL DEPARTMENT OF EDUCATION FTE	GENERAL MANAGEMENT AND ADMINISTRATION FTE AS PERCENT TOTAL DEPARTMENT FTE	INFORMATION TECHNOLOGY SERVICES FTE AS PERCENT TOTAL DEPARTMENT FTE
FY 2012-13	34.6	23.0	565.7	6.1%	4.1%
FY 2013-14	34.6	23.0	563.8	6.1%	4.1%
FY 2014-15	34.6	27.9	582.0	5.9%	4.8%
FY 2015-16	34.6	28.2	598.8	5.8%	4.7%
FY 2016-17	34.6	28.2	599.5	5.8%	4.7%
FY 2017-18	34.6	28.2	599.2	5.8%	4.7%
FY 2018-19	34.6	30.9	602.5	5.7%	5.1%
FY 2019-20	34.6	30.9	616.4	5.6%	5.0%
FY 2020-21	34.6	30.9	609.0	5.7%	5.1%
FY 2021-22	34.6	30.9	614.4	5.6%	5.0%
FY 2022-23 Request	39.8	35.9	624.7	6.4%	5.7%

As shown in the table:

- FTE allocations for the General Management and Administration FTE line item, which includes funding for functions such as human resources and purchasing, has been flat for at least ten years, while the Department has seen overall growth in FTE, as well as development of a myriad of special programs.
- FTE allocations for the Information Technology Services line item as a share of total FTE has grown significantly. Staff recognizes that this is true statewide. The Department has noted that it seeks to align its help desk staff with a standard of 1:70, but it has not provided staff with other specific ratios or other metrics that might help to clarify what is "reasonable". This may not be possible, given the specific functions of this department as opposed to other departments.

**Staff also notes that the amounts in these particular line items represent only part of the picture, because the Department spends from multiple different line items, including from federal funds in the Appropriated Sponsored Programs line items and from state-funded line items in the Grant Programs, Distributions, and Other Assistance sections to support its Information Management Services Division and, potentially, other administrative overhead. Staff is working with the Department to develop a better picture of base information management services costs in this department, but the Department had not completed this analysis before this document went to print.**

#### **INFRASTRUCTURE REQUEST FOR 6.2 FTE ANNUALIZING TO 6.7 FTE**

The analysis and recommendations below are grouped by the positions requested.

##### Purchasing - 2.0 FTE (Purchasing Agent III)

The Department requests 2.0 FTE at the range mid-point (annual salary of \$64,596 plus benefits). The Department states that historically CDE has completed two to four RFPs per year. It estimates that in FY 2021-22 it will need to complete twelve to fifteen. It states that the increase in RFPs has come from recent legislation, the administrative needs of CDE, an increased focus on evaluating the effectiveness of current and future programs, and the need for new IT systems. Although it appears that some of the growth is tied to COVID response, the Department indicates that this growth is in line with pre-pandemic increases. The CDE Purchasing Office currently has 3.5 FTE and a Procurement Official. It states that the office was struggling to keep up with its existing responsibilities prior to 2018, and these responsibilities increased in FY 2018-19 when CDE was delegated from the Department of Personnel to draft and facilitate RFPs.

In FY 2020-21, the JBC approved these new positions, but at the range minimum (currently an annual salary of \$52,440 per year plus benefits). In response to staff questions about funding these positions at the mid-point of the range, the Department reported that many state agencies e.g., the Departments of Human Services and Transportation hire positions with similar responsibilities at a purchasing agent IV (starting salary of \$65,136), because those agencies have found posting for a purchasing agent III results in failed postings. The Department of Health Care Policy and Financing hires positions at a purchasing agent III but then promotes them after one year to a purchasing agent IV.

- **Staff recommends the request for 2.0 FTE purchasing agent III positions at the salary requested** (annual salary of \$64,596 per FTE plus benefits). Differences between the request and recommendation reflect solely that staff is not including centrally-appropriated amounts for the first year, consistent with common policy, and minor differences between the standard OSPB and

Legislative Council Staff FTE templates. As reflected in staff's FY 2020-21 analysis, Department's procurement workload has clearly increased dramatically, and staff does not see an indication of that workload declining. Staff agrees that additional staff appear to be necessary to manage the current (and anticipated) workload. The rationale for funding above the range minimum for a purchasing agent III seems persuasive.

#### Human Resources - 0.5 FTE (HR Specialist V)

The Department reports that it currently has 4.0 FTE providing human resources services. It is requesting 0.5 FTE for a higher-level specialist to support professional development, equity, diversity, and inclusion initiatives, and supervisor training. The request indicates that an additional high-level resource is needed to assist the HR director with strategic support. The Department reports that it has been hiring staff at a rapid pace to accommodate federal ESSER funds, which have increased actual FTE within the Department from 415.2 in FY 2020-21 to 463.2 in FY 2021-22. The Society for HR Management standard benchmark HR ratio is 1:100, indicating that this additional support is needed to bring the Department into industry best practices.

JBC staff notes that the additional staff associated with federal ESSER funds are presumably time-limited. However, staff also recognizes that in FY 2020-21, the Department requested, and the JBC approved, adding 1.0 FTE human resources position to increase the Department's HR staffing from 3.0 FTE to 4.0 FTE. Even if the Department has reorganized internal resources to address the temporary surge in federally-funded staff, it appears that there was adequate justification to support additional human resources staff prior to this surge. The Department requested the new position at the range mid-point, rather than the minimum. In response to staff questions, it reported that it had experienced "virtually 100 percent turnover of the small HR staff" and that the recruiting pool in postings has not resulted in a strong candidate pools. After two postings, it hired staff with no experience in HR, because even newer HR staff typically earn \$10,000 more than it is offering. Staff understands that the Department is hoping that the higher level position requested will help provide training and greater stability.

- **Staff recommends the request for 0.5 FTE HR Specialist V position at the salary requested** (annual full-time salary of \$102,528 translates to \$51,264 at half time). Differences between the request and recommendation reflect solely that staff is not including centrally-appropriated amounts for the first year, consistent with common policy, and minor differences between the standard OSPB and Legislative Council Staff FTE templates. As staff noted in FY 2020-21, legislation and budgetary decision items that add FTE do create an incremental increase in workload. Staff agrees that the cumulative growth in staffing warrants the additional position.

#### Payroll Support - 1.0 FTE (Accountant I)

The request states that the Department currently has 1.0 FTE providing payroll administration for the Department. This person is processing payroll for 500 employees each month, which is far above the industry standard of one payroll administrator for 250 employees. The problem is exacerbated by antiquated software that drives manual processes. The request is for salary at the range mid-point. The Department reported that competent accountants are in high demand in the State. A recruiting effort at the Department of Local Affairs resulted in not a single application being submitted. A recent hiring effort at CDE resulted in the two strongest candidates being under qualified but still making more than the Department could offer. The Department has been unable to find a qualified applicant at the available salary.

- **Staff recommends the request for 1.0 FTE Accountant I position at the salary requested** (annual salary of \$55,896 before benefits). Differences between the request and recommendation reflect solely that staff is not including centrally-appropriated amounts for the first year, consistent with common policy, and minor differences between the standard OSPB and Legislative Council Staff FTE templates.

Data and Evaluation Lead - 1.0 FTE (Senior Consultant)

The Department states that this position is to build capacity in evaluating the many programs the Department implements, increase efficiency and the state's return on investment, and support the goals of S.B. 21-284 (Evidence-based evaluation for Budget). The position would operate across the Department be housed in the policy and legislative relations office. The salary proposed is at the mid-point of the Department's range for senior consultants (\$73,752 per year before benefits).

- **Staff recommends the request for 1.0 FTE Senior Consultant for this position, at the salary requested** (annual salary of \$73,752 before benefits). The Department did not submit a justification for this compensation level, but given the Department's description of the position, the proposed compensation level seems reasonable.

Communications - 0.5 FTE (Marketing and Communications Professional III)

The position would support copy editing of the communications to teachers, districts, and families required of the department's various programs. The request notes that over the past couple of years, the communications needs of the Department have increased significantly and are expected to remain elevated.

- **Staff recommends the request for 0.5 FTE Marketing and Communications position, at the range minimum, consistent with Committee common policy and the amount requested.** (\$52,550 annual salary before benefits/\$26,220 annual salary at half-time).

Staff Support for Commission in Indian Affairs - 0.7 FTE (Senior Consultant)

The Department states that the additional funding will support current staff supporting the Colorado Commission on Indian Affairs, as the Department does not have adequate support in the position. The position would be the primary liaison between CDE and Native American schools across the state.

In response to Committee questions raised during the budget hearing, the Department noted that it did not have a position dedicated to the needs of Native American students. In the past, it has diverted resources directed to English Language Learners for this purpose. It recently devoted one-time vacancy savings to support this work on a part-time basis but submitted the request to make the position permanent. In response to staff questions, the Department reported that the current position is being funded slightly above the range mid-point.

- **Staff recommends the request for 0.7 FTE senior consultant at the salary level requested.** The amount is between the minimum and mid-point of the Department's range for senior consultants (\$64,596 for full-time before benefits and \$51,073 as a part-time position). Staff concurs that a liaison to Native American schools should be a part of the Department's infrastructure.

BEST Regional Program Manager - 1.0 FTE (Senior Consultant/Cash Funded)

The requests notes that appropriations for BEST cash grants have significantly increased in recent years, including large increase in lease purchase grants. This increase in funding and complexity of projects has led to a work environment in which regional program manager deal more with review of requests and less with site visits and proactive outreach. There is therefore a need for a 1.0 FTE term limited regional program manager. The request did not specify the length of time for the "term limit".

- **Staff recommends the request for 1.0 FTE senior consultant for the BEST program at the salary requested, but concurs that this position should be term-limited** (annual salary of \$64,596 before benefits). **Staff recommends that the position be term-limited to two years** (would annualize and be reevaluated for FY 2024-25) and would continue (or not) based on the volume of BEST funding available at that time. The BEST program has grown substantially in recent years, and this level of growth does support the need for additional staff resources. However, funding for the program is also variable, depending upon revenue received and legislative decisions. Staff therefore believes it is reasonable to reconsider the need in two years.

#### **REQUEST TO EXCHANGE "EXISTING UNUSED REAPPROPRIATED SPENDING AUTHORITY" FOR INDIRECT COST RECOVERIES**

**Staff does not recommend this change.**

- 1 Adding spending authority from indirect cost collections: Indirect cost collections are the equivalent of General Fund, since they offset General Fund otherwise required. The practice of JBC staff is to determine total General Fund needs and then offset the General Fund with indirect recoveries if these are available. Thus, staff has addressed the potential for indirect costs to offset General Fund elsewhere in this document as part of a broader question about the availability of these funds. The question need not be tied to the addition of IT staff.
- 2 Reducing the "unused authority": In response to staff questions the Department indicates that it was referring to \$534,029 reappropriated funds and 5.7 FTE in the Information Technology Services line item that is identified as being "transferred from various appropriations to the Department of Education" in the Long Bill letter note that identifies the source. Based on a review of historic figure setting documents, staff has determined that this amount originates from when the Information Technology Services line item was created in FY 2008-09. This component of the line item was intended to capture federal funds expended in other Department of Education line items that were used for information technology services, as part of a broader effort to consolidate these services. Based on the annual actual data submitted by the Department, it appears to have used this reappropriated spending authority through FY 2013-14, after which it stopped using this portion of the line item. **This does not mean that the Department does not have related information technology expenditures related to its federal grants but rather that it stopped reflecting the expenditures associated with these federal grants through the line item.**

In response to staff questions, the Department is working to provide the total budget for the Information Management Systems Unit, but had not completed this work before this document went to print. Staff believes that further conversations with the Department are needed to determine



whether or not an informational amount--representing federal sources of funding--should continue to be reflected in this line item or not, and, if so, what amount is appropriate. However, **pending this a conversation, staff is recommending leaving the current informational reappropriated funds figure unchanged.**

#### **INFRASTRUCTURE NEEDS - INFORMATION MANAGEMENT SERVICES STAFF**

In response to staff questions, the Department provided a narrative explaining the need and roles of the 5.0 FTE staff the State Board of Education recommends that the General Assembly add. **In deciding whether to add these positions, the Committee should note that these will require General Fund.**

The request emphasized that the Department's growth over the past 17 years has resulted in increased needs for technology support and maintenance. New staff translate to more computers, email accounts, productivity and back office tools. Vendor maintenance bills have been squeezing funds available for staff, while the Information Management Services budget has remained level. As a result the division is at a "critical point" where sufficient funds are not available to cover costs. The situation has been exacerbated by the pandemic, which demonstrated weaknesses in the section's capacity. The positions requested are as follows.

##### Enterprise Security Specialist - 1.0 FTE (IT professional)

This position would assist the Department in proactively assessing and preparing for the latest attacks, provide additional and more frequent patching, and support enhanced authentication. CDE supports over 35,000 school districts and other educational organization logon accounts and access control for 20 platforms and applications with only 1.0 FTE. The request reflected filling this position at the salary range midpoint (\$88,764 annual salary, before benefits).

##### Administrative Assistant - 1.0 FTE (Administrative Assistant III)

The request states that many highly paid technology staff are spending long hours tracking purchases, managing payments for equipment and vendor contracts, and tracking/reporting state assets. An administrative assistant is an economical way to add value to the Information Management Services section by eliminating the need for technical staff to perform general administrative functions. The request reflected filling this position at the minimum, consistent with Committee common policy (\$44,052 annual salary, before benefits)

##### Help Desk Analyst - 2.0 FTE (IT Professional)

The request notes that providing remote and hybrid support, which has become a new normal, requires additional time to resolve per call. Additional equipment, VPN and remote access all require additional support and productivity platforms. CDE experienced a rise in help desk tickets of 1,300 requests (50%) from 2019-20 and that trend has continued, so that an additional position is required to address this core work. Another Help Desk position will allow the team to administer enterprise tools, which will remove the need for individuals within educational business units to administer them. The Department requested these positions at a salary rate above the minimum, but at the bottom of the second quartile and below the mid-point (\$73,104 salary, before benefits).

##### Quality Assurance - 1.0 FTE (IT Professional)

The Department reports that it has never had a formal quality assurance program. Creating a valid program will free up educational program specialists' time, since often the program staff are the

individuals performing system testing now. The position will improve the quality of data, address communication issues between technical and educational teams, and contribute time saving for many CDE employees. The request reflects this position at the salary midpoint (\$88,764 salary, before benefits).

In response to staff questions about the requested salary ranges, the Department noted that the Department of Personnel has collapsed the range for IT Professionals 1-3 into one classification, creating a larger than normal range. As a result, most IT Professional positions are above the minimum. As justification for hiring help desk staff at the bottom of the second quartile, the Department notes that it works to hire help desk staff who are sufficiently independent that they can handle most issues that come to the desk. Quality Assurance and Cybersecurity positions are requested at the mid-point because of difficulty filling the positions. The Department notes it recently took six months to fill a server administration position, another position had to be reposted at a higher salary to fill, and a developer posting just failed for the second time because no fully qualified candidates applied.

- **Staff recommends the request for the five information technology staff at the salary levels requested.** In addition: (1) the staff recommendation funds the positions with General Fund; and (2) consistent with common policy, the staff recommendation does not include funding for centrally-appropriated benefits in the first year. Calculation details are reflected in the table at the beginning of this discussion.

➔ STAFF INITIATED (SI) INDIRECT COST ADJUSTMENTS

*REQUEST:* The Department did not request an update to indirect cost adjustment amounts. However, it expressed an expectation (related to request R4) that additional indirect cost recoveries would be used in its budget this year, and it provided all the detail necessary to update calculations in the Long Bill.

*RECOMMENDATION:*

- Staff recommends that the Indirect Cost Recovery line items in the Long Bill be updated consistent with the table below, which reflects information provided by the Department. As shown, total collections estimated for FY 2022-23 are \$125,301 higher than the estimate included in the FY 2021-22 Long Bill.

DEPARTMENT INDIRECT COST ASSESSMENT RECOMMENDATION				
DIVISION	TOTAL	CF	RF	FF
Management and Administration	744,679	375,814	0	368,865
Assistance to Public Schools	3,837,060	25,000	55,571	3,756,489
Library Programs	55,327	0	0	55,327
<b>Total FY 2022-23 Recommendation</b>	<b>4,637,066</b>	<b>400,814</b>	<b>55,571</b>	<b>4,180,681</b>
Management and Administration	861,325	495,877	0	365,448
Assistance to Public Schools	3,595,113	25,000	55,571	3,514,542
Library Programs	55,327		0	55,327

DEPARTMENT INDIRECT COST ASSESSMENT RECOMMENDATION				
DIVISION	TOTAL	CF	RF	FF
<b>Total FY 2021-22 Appropriation</b>	<b>4,511,765</b>	<b>520,877</b>	<b>55,571</b>	<b>3,935,317</b>
<b>Increase (Decrease) FY2021-22 to FY2022-23</b>	<b>125,301</b>	<b>(120,063)</b>	<b>0</b>	<b>245,364</b>

- Staff recommends that the indirect cost recovery amounts above (\$4.6 million total for FY 2022-23) **plus \$500,000 from the Indirect Cost Excess Recoveries Fund** be used to offset General Fund otherwise required in Department line items.

INDIRECT COST RECOVERIES OFFSET FOR GENERAL FUND IN LONG BILL MULTIPLE LINE ITEMS			
	TOTAL	GENERAL FUND	REAPPROPRIATED FUNDS (INDIRECT COST RECOVERIES)
FY 2022-23 Estimated Recoveries	\$0	(\$4,637,066)	\$4,637,066
Indirect Cost Excess Recoveries Fund Reserves	0	(500,000)	500,000
<b>Total Offset for FY 2022-23</b>	<b>\$0</b>	<b>(\$5,137,066)</b>	<b>\$5,137,066</b>

- Of the total indirect cost recovery amount, \$875,833 will be identified as statewide indirect cost recoveries, consistent with the statewide indirect cost plan.

*ANALYSIS:*

The Department's indirect cost plan is negotiated annually with the federal Department of Education. State cash funds are generally treated in a manner consistent with the federal plan. The details of the plan are included in an appendix to this document and so are not repeated here.

**The significant adjustment this year is that staff is recommending use of \$500,000 from reserves that have accumulated in the Indirect Costs Excess Recoveries Fund to offset General Fund otherwise required.** The Department's budget request proposed funding new information technology staff with these dollars. Staff does not believe this is appropriate, particularly given that the staff are presumed to be ongoing, while the reserves in the Indirect Cost Excess Recoveries fund are temporary. However, the staff recommendation for FY 2022-23 has a fiscal impact similar to the Department's request.

The Indirect Cost Excess Recoveries Fund holds the difference between the amount of indirect cost recoveries received and expended each year. It covers shortfalls when annual revenues fall below projections and receives excess funds when revenues exceed expenditures. As reflected in the table below, the Department projects a starting balance of \$2,350,760 in the Indirect Cost Excess Recoveries Fund at the beginning of FY 2022-23. The reserves in the Fund are large and have grown, despite a one-time transfer to the General Fund of \$633,978 in FY 2019-20. The purpose of the Fund is to provide a cushion to address differences between estimates and actual collections; however, the cushion currently provided is larger than necessary.

INDIRECT COSTS EXCESS RECOVERIES FUND				
	ACTUAL	ACTUAL	APPROPRIATED	REQUESTED
	FY 2019-20 <sup>1</sup>	FY 2020-21	FY 2021-22	FY 2022-23
<b>Year Beginning Fund Balance (A)</b>	<b>\$1,113,418</b>	<b>\$1,121,145</b>	<b>\$1,835,067</b>	<b>\$2,350,760</b>

INDIRECT COSTS EXCESS RECOVERIES FUND				
	ACTUAL FY 2019-20 <sup>1</sup>	ACTUAL FY 2020-21	APPROPRIATED FY 2021-22	REQUESTED FY 2022-23
Changes in Cash Assets <sup>1</sup>	\$7,727	\$713,922	\$515,693	\$141,091
Changes in Non-Cash Assets	\$0	\$0	\$0	\$0
Changes in Long-Term Assets	\$0	\$0	\$0	\$0
Changes in Total Liabilities	\$0	\$0	\$0	\$0
<b>TOTAL CHANGES TO FUND BALANCE</b>	<b>\$7,727</b>	<b>\$713,922</b>	<b>\$515,693</b>	<b>\$141,091</b>
<b>Assets Total (B)</b>	<b>\$1,121,145</b>	<b>\$1,835,067</b>	<b>\$2,350,760</b>	<b>\$2,491,851</b>
Cash	\$1,121,145	\$1,835,067	\$2,350,760	\$2,491,851
<b>Liabilities Total (C)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Cash Liabilities	\$0	\$0	\$0	\$0
<b>Ending Fund Balance (D)</b>	<b>\$1,121,145</b>	<b>\$1,835,067</b>	<b>\$2,350,760</b>	<b>\$2,491,851</b>
<b>Net Cash Assets - (B-C)</b>	<b>\$1,121,145</b>	<b>\$1,835,067</b>	<b>\$2,350,760</b>	<b>\$2,491,851</b>
<b>Change from Prior Year Fund Balance (D-A)</b>	<b>\$7,727</b>	<b>\$713,922</b>	<b>\$515,693</b>	<b>\$141,091</b>

<sup>1</sup> The FY 2019-20 changes in assets incorporate a transfer of \$633,892 to the General Fund.

This growth in the last few years appears to be due to a combination of underestimates of indirect cost revenue in the Long Bill and under expenditure of revenue received, leading to additional deposits to the Indirect Costs Excess Recoveries Fund.

SOURCE OF DEPOSITS IN THE INDIRECT COST EXCESS RECOVERIES FUND					
	APPROPRIATION OF INDIRECT COST RECOVERIES (LONG BILL)	ACTUAL INDIRECT COST RECOVERIES	ACTUAL IC RECEIPTS ABOVE/(BELOW) APPROPRIATION	UNDEREXPENDITURE OF LONG BILL INDIRECT COST SPENDING AUTHORITY	AMOUNTS DEPOSITED IN INDIRECT COST EXCESS RECOVERIES FUND
FY 2018-19	\$3,211,673	\$3,743,019	\$531,346	\$133,837	\$665,183 <sup>1</sup>
FY 2019-20	3,456,807	3,986,066	529,259	112,446	641,705
FY 2020-21	3,971,087	4,287,150	316,063	397,953	714,016

<sup>1</sup> Most of this amount was transferred to the General Fund.

Because the Department's request reflected use of indirect cost recoveries to support new Information Technology staff, JBC staff explored with the Department its future expectations for indirect cost revenue. As noted above, actual revenue has grown significantly from FY 2018-19, due in part to the federal response to the COVID-19 pandemic. The Department expects annual revenue to remain high for several years but to then decline again as excess federal spending subsides. The Department notes that multiple complex factors will affect collections in the coming years, including, among others: additional collections in FY 2021-22, FY 2022-23, and FY 2023-24 as federal ESSER funds are spent down; changes in the size of the "pool" used for the numerator of the federal indirect cost calculation due to decision items and other factors that affect administrative spending; and the impact of the additional federal revenue and changes in cash revenue on the denominator of the calculation that determines the state's indirect cost collection rate.

The table below shows the Department's initial projection through FY 2024-25. (Figures do not tie to the estimate recommended for the FY 2022-23 Long Bill, but demonstrate the Department's initial projection.) As shown, the Department is currently anticipating that collections in FY 2024-25 will be about \$650,000 above the FY 2018-19 pre-pandemic collections. However, **the Department also projects that FY 2021-22 and FY 2022-23 represent a peak in revenue. If this proves accurate, the JBC will need to be prepared for a cliff in the Department's indirect cost offsets in future years, once the current fund balance in the Indirect Costs Excess Recoveries Fund is expended.** As described above, the staff recommendation reflects spending \$500,000 from this cash fund reserve in FY 2022-23. **Depending upon actual deposits in the fund in FY 2021-22 and FY 2022-23, spend down at the \$500,000 level should be available from the Indirect Costs Excess Recovery Fund for approximately three years.**

DEPARTMENT OF EDUCATION PRELIMINARY LONG TERM FORECAST OF INDIRECT COST RECOVERIES				
INDIRECT COLLECTIONS	CASH/OTHER	FEDERAL	TOTAL	
FY 2018-19	\$443,805	\$3,299,213	\$3,743,019	
FY 2019-20	495,431	3,490,635	3,986,066	
FY 2020-21	488,814	3,798,336	4,287,150	
FY 2021-22 Proj	325,000	4,200,000	4,525,000	
FY 2022-23 Proj	375,000	4,100,000	4,475,000	
FY 2023-24 Proj	490,000	4,000,000	4,490,000	
FY 2024-25 Proj	500,000	3,900,000	4,400,000	

→ SI TRUE-UP OF INFORMATIONAL FUNDS AND CASH FUNDS ADJUSTMENT

*REQUEST:* The Department did not request true-up for informational line items but instead requested continuation funding. However, it has provided the data used to adjust line items in the staff recommendation.

*RECOMMENDATION:* The staff recommendation includes updates to informational amounts in the following line items.

**GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, OTHER ASSISTANCE, APPROPRIATED SPONSORED PROGRAMS**

Staff recommends adjusting this line item based on FY 2021-22 federal estimated expenditures and FY 2019-20 and FY 2020-21 actual cash fund expenditures. **As part of this adjustment, staff is recommending reflecting anticipated school district expenditures of federal stimulus funds.**

**Staff recommends increasing the federal funds amount in this line item from \$265,351,796 in the FY 2021-22 Long Bill to \$691,826,924--an increase of \$426.5 million.** The federal funds amount includes a significant increase to reflect the estimated impact of federal COVID relief funding allocated to school districts. As described in the staff budget briefing in November 2021, the vast majority of federal Elementary and Secondary Education Emergency Relief (ESSER) funds--\$1.4 billion--had not been spent as of October 2021, representing over \$1,600 per pupil. As shown below, the Department now expects that \$485.6 million in federal COVID relief funds, comprised primarily of ESSER funds, will be expended in FY 2021-22. As most remaining funds must be expended by September 30, 2024, staff assumes COVID relief spending similar to the FY 2021-22 estimate in FY 2022-23 and FY 2023-24. Given the scale of the one-time funds, staff believes it may be helpful to reflect this estimate in the budget. The Department also expects to reflect the expenditure of these dollars through this line item.

APPROPRIATED SPONSORED PROGRAMS - FEDERAL FUNDS		
	FY 2020-21 ACTUAL	FY 2021-22 ESTIMATE (RECOMMENDED FOR FY 2022-23 ESTIMATE)
<b>Grants Not Related To COVID Relief</b>		
Adult Education - WIA	\$7,743,190	\$8,000,000
After School Learning Centers	11,388,280	11,500,000
Charter School Grant	6,591,899	6,000,000
CO Troops to Teachers	271,835	25,000
Comprehensive State Literacy	66,296	100,000
Early Literacy	57,210	100,000
Educate Homeless Children	824,680	900,000
Growing Readers	179,586	150,000
Improving Student Health	327,564	175,000
Improving Student Health Supplemental	0	175,000
Migrant Education	6,311,124	6,000,000
Migrant Education Consortium	38,542	132,188
NAEP	140,479	104,003
Neglected Delinquent	427,586	433,919
Project AWARE	124,576	1,170,245
Project Rise SLDS	611,190	254,241
Rural and Low Income	439,876	400,630
School Climate Transformation	764,562	768,542
School Nurse Workforce Initiative	0	71,569
Sexual Avoidance	441,696	794,350
Student Support	8,951,213	9,000,000
Title I Programs	139,015,090	140,000,000
Title II Programs	20,732,604	20,000,000
<b>Total</b>	<b>\$205,449,081</b>	<b>\$206,254,687</b>
<b>COVID Relief Funding</b>		
CARES Act ESSER I	\$52,806,426	\$86,340,195
CARES Act ESSER II	14,000,163	315,051,602
CARES Act ESSER III	0	70,307,944
CARES Act Improving Student Health	296,113	40,662
CDPHE COVID 19 Testing	0	267,279
EANS (Non Public Schools)	34,182	12,088,011
EANS Non Public Payroll	0	202,437
GEER CSI Per Pupil	652,967	6,771
GEER Quality Teacher	1,214,731	1,267,335
GEER Schools of Choice	4,951,120	0
<b>Total</b>	<b>\$73,955,702</b>	<b>\$485,572,237</b>
<b>Total including COVID Relief Funding - Federal Funds</b>	<b>\$279,404,784</b>	<b>\$691,826,924</b>

The total federal COVID Relief grants awarded in 2020 and 2021 are shown below. This includes federal Elementary and Secondary School Emergency Relief (ESSER) funds (I, II, and III) included in federal Coronavirus Aid Relief and Economic Security Act (CARES Act - March 27, 2020), Consolidated Appropriations Act (CRSSA - December 27, 2020), and American Rescue Plan Act (ARPA - March 11, 2021) legislation, among other awards. The table below shows amounts *awarded*, most of which will be expended over several years.

GRANT TITLE	TOTAL AWARD
Governor's Emergency Education Relief (GEER)	\$3,135,361.26
Emergency Assistance to Non-public Schools (EANS)	28,399,748.96
Elementary and Secondary School Emergency Relief (ESSER)	1,742,754,497.01
ARPA-Homeless	7,643,776.00
CDPHE COVID 19	9,944,989.30

GRANT TITLE	TOTAL AWARD
CDC COVID 19	433,333.00
CARES Act-Improving Student Health	37,219.61
<b>Total</b>	<b>\$1,792,348,925.14</b>

The allocations and the spending deadlines for the largest of these fund sources--the ESSER funds--are shown in the table below.

FEDERAL ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND (ESSER)			
	ESSER I (CARES Act) March 2020	ESSER II (CRRS Act) December 2020	ESSER III (ARPA Act) March 2021
Total State Allocation	\$120,993,782	\$519,324,311	\$1,167,153,961
Allocation to LEAs (90% of total)	108,894,404 \$120.81 per pupil Title I formula	467,391,880 \$518.70 per pupil Title I formula	1,050,438,565 \$1,164.93 per pupil Title I formula
State Reserve (10% of total)	12,099,378	51,932,431	116,715,396
Funding Period	Though Sept 30, 2022	Through Sept 30, 2023	Through Sept. 30 2024
<b>Local Education Agency (LEA) Unspent Balances</b>			
Expenses Recorded and State Reimbursed as of 10/31/21	<u>95,939,309</u>	<u>106,492,141</u>	<u>0</u>
<b>Unexpended Balance of Total LEA Awards</b>	<b>\$12,955,095</b>	<b>\$360,899,739</b>	<b>\$1,050,438,565</b>

In addition to the federal funds adjustment, staff is recommending a decrease of \$250,000 cash funds from gifts, grants, and donations, reducing the appropriation from \$2,750,000 cash funds to \$2,500,000 cash funds, to more closely approach the actual expending in FY 2019-20 and FY 2020-21 of \$2,302,154 and \$2,226,457, respectively. Please note that gifts, grants, and donations to the Department of Education have not historically been treated as custodial. Therefore, the cash funds amount in this line item is reflected as a true, non-informational appropriation. The Department does not foresee a problem with this adjustment.

**CHARTER SCHOOL INSTITUTE LINE ITEMS**

Staff recommends adjusting four line items in the Colorado Charter School Institute section of this budget so that amounts shown more closely resemble actual expenditures in recent years. The recommended amounts are rounded to emphasize that they represent estimates. The fund source is reappropriated funds (double count from School Finance sections of the Department of Education) unless otherwise noted.

ADJUSTMENTS TO COLORADO CHARTER SCHOOL INSTITUTE INFORMATIONAL LINE ITEMS							
	FY 2020 ACTUAL	FY 2021 ACTUAL	AVERAGE OF ACTUALS	ROUND AVERAGE - RECOMMENDED FY 2022-23 APPROPRIATION	FY 2021-22 BASE	CHANGE	FUND SOURCE
State Charter School Institute Admin, Oversight, Mgmt	\$5,149,968	\$4,894,121	\$5,022,045	\$5,000,000	\$3,500,000	\$1,500,000	RF
Institute Charter School Assistance Fund*	1,689,636	1,822,873	1,756,255	1,800,000	460,000	1,340,000	CF
Other Transfers to Institute Charter Schools	23,760,432	19,212,835	21,486,634	21,500,000	9,000,000	12,500,000	RF

ADJUSTMENTS TO COLORADO CHARTER SCHOOL INSTITUTE INFORMATIONAL LINE ITEMS							
	FY 2020 ACTUAL	FY 2021 ACTUAL	AVERAGE OF ACTUALS	ROUND AVERAGE - RECOMMENDED FY 2022-23 APPROPRIATION	FY 2021-22 BASE	CHANGE	FUND SOURCE
Transfer of Federal Moneys to Institute Charter Schools	17,078,899	17,606,831	17,342,865	17,400,000	7,600,000	9,800,000	RF
<b>Total Change</b>						<b>\$25,140,000</b>	

\*This line item is subject to appropriation, but is also statutorily required to distribute any amount above a specified balance at the end of year, so it has functioned like an informational line item in recent years.

**MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, SCHOOLS OF CHOICE**

Staff recommends adjusting a line item in the Administration section that reflects projected federal funds expenditures to support schools of choice, such as charter schools. Staff recommends increasing the FY 2021-22 federal funds of \$10,026,842 by \$299,658 to \$10,326,500 federal funds, based on an updated estimate from the Department.

**→ SI TEACHER RECRUITMENT EDUCATION AND PREPARATION PROGRAM (TREP) COMMITTEE DECISION ON PUPILS AND TECHNICAL ADJUSTMENT**

Senate Bill 21-185 (Supporting Educator Workforce in Colorado) creates the Teacher Recruitment Education and Preparation (TREP) program [Section 22-35-108.5, C.R.S.] to allow students to concurrently enroll in postsecondary courses for two years following the student’s twelfth grade year and specifies requirements for designation as a TREP program participant (including that the student be in the teaching career pathway). Beginning with the 2022-23 school year, the bill requires the General Assembly to annually decide on the number of TREP program participants to fund in the Long Bill (to be funded at the same per pupil amount as Accelerating Students through Concurrent Enrollment (ASCENT) program participants). The bill specifies that for FY 2022-23, the General Assembly shall appropriate funding for no more than two hundred program participants.

*REQUEST:* The Department requested \$1,737,458 General Fund and 0.4 FTE in a Teacher Recruitment Education and Preparation Program line item in the Grant Programs, Distributions and Other Assistance line item.

*RECOMMENDATION:* Staff recommends funding for this program, but does not recommend funding in a separate line item.

The legislation authorizes the General Assembly to appropriate funding for no more than 200 program participants in FY 2022-23. Given this, **the Committee may choose how many program participants it wishes to assume. Since the fiscal note was based on 200 program participants in FY 2022-23, that is the figure staff is reflecting in the staff recommendation.** To the extent this is an over-estimate, staff assumes unused funding will revert to the General Fund.

Staff recommends setting funding for this program initially at \$1,728,734 General Fund based on the following calculation:

- \$1,699,476 General Fund for school district funding, based on \$8,497.38 (ASCENT per pupil funding for FY 2022-23 in the Long Bill) x 200 pupils



- \$29,258 General Fund and 0.4 FTE for second-year administrative costs.

**Staff recommends that these amounts be placed in different line items from the manner in which they were requested:**

- **The funding for school districts should be incorporated into the State Share of Districts' Total Program Funding** in the School Finance section of the Long Bill. The program is based on the approach used for the ASCENT program, in which funding by district as well as the amount per pupil is subject to adjustment in the School Finance Act. In light of this, staff recommends that that this program be treated in the same way as the ASCENT program. This means it should be embedded in the "State Share" line item. **Staff requests permission to work with the analyst for School Finance to make any required technical adjustments in the State Share line item.**
- Since the bill specifies that the General Assembly will determine the number of pupils eligible for the program, staff anticipates that this will be specified by footnote. **Staff requests permission to include a funded pupil number (whatever figure the Committee settles on) within the same footnote that specifies the cap on ASCENT students.**
- Finally, to avoid retaining a small separate line item for administering this program, **staff recommends that the funds associated with administration be consolidated in the Educator Effectiveness Unit Administration line item.** With this change, the Educator Effectiveness Unit Administration line item will include all administrative costs associated with programs created or reauthorized in S.B. 21-185 (a total of \$1,230,110 General Fund and 5.7 FTE).

## (1) MANAGEMENT AND ADMINISTRATION

This section includes funding for the State Board of Education, the Commissioner of Education, and general department administrative responsibilities including human resources, budgeting, accounting, information technology management, assessments, and data analyses. This section also includes funding for the Office of Professional Services, the Division of On-line Learning, and the State Charter School Institute. The following table summarizes the staff recommendation for this division.

MANAGEMENT AND ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 Appropriation</b>						
FY 2021-22 Appropriation	\$125,214,588	\$32,608,307	\$33,382,705	\$34,738,492	\$24,485,084	169.2
<b>TOTAL</b>	<b>\$125,214,588</b>	<b>\$32,608,307</b>	<b>\$33,382,705</b>	<b>\$34,738,492</b>	<b>\$24,485,084</b>	<b>169.2</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$125,214,588	\$32,608,307	\$33,382,705	\$34,738,492	\$24,485,084	169.2
R3 Operating expenses for the State Board of Education	82,074	82,074	0	0	0	0.5
R4 Departmental infrastructure	803,122	803,122	0	0	0	9.7
R5 CSI mill levy equalization	0	0	0	0	0	0.0
R7 Empowering parents with information	467,374	467,374	0	0	0	1.8
Nonprioritized requests	(16,624)	11,210	(3,111)	(10,451)	(14,272)	0.0

MANAGEMENT AND ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SI Informational funds adjustment	25,439,658	0	1,340,000	23,800,000	299,658	0.0
Centrally appropriated line items	1,624,648	327,688	(189,511)	580,231	906,240	0.0
SI Cash funds spending authority for CSI interest earnings	209,923	0	209,923	0	0	0.0
SI Indirect cost assessment	(116,646)	0	(120,063)	0	3,417	0.0
SI Leased space adjustment	23,776	24,277	410	(14,127)	13,216	0.0
SI Replace RF from State Share of Districts' Total Program Funding with GF	0	103,331	0	(103,331)	0	0.0
SI Indirect cost adjustments	0	(166,769)	0	166,769	0	0.0
Annualize prior year legislation	(2,843,795)	(2,877,177)	10,823	14,701	7,858	1.6
Annualize prior year budget actions	(1,182,857)	(398,910)	(151,259)	(63,921)	(568,767)	0.0
<b>TOTAL</b>	<b>\$149,705,241</b>	<b>\$30,984,527</b>	<b>\$34,479,917</b>	<b>\$59,108,363</b>	<b>\$25,132,434</b>	<b>182.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$24,490,653</b>	<b>(\$1,623,780)</b>	<b>\$1,097,212</b>	<b>\$24,369,871</b>	<b>\$647,350</b>	<b>13.6</b>
Percentage Change	19.6%	(5.0%)	3.3%	70.2%	2.6%	8.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$146,547,858</b>	<b>\$43,523,085</b>	<b>\$33,000,555</b>	<b>\$45,268,851</b>	<b>\$24,755,367</b>	<b>177.9</b>
Request Above/(Below) Recommendation	(\$3,157,383)	\$12,538,558	(\$1,479,362)	(\$13,839,512)	(\$377,067)	(4.9)

## DECISION ITEMS – MANAGEMENT AND ADMINISTRATION

### → R3 OPERATING EXPENSES FOR THE STATE BOARD OF EDUCATION

*REQUEST:* The request includes \$124,497 General Fund and 0.5 FTE, annualizing to \$127,295 General Fund and 0.5 FTE in FY 2023-24 and ongoing, for the following costs:

- \$27,200 for additional funding for two new board members, required due to the addition of an eighth congressional district representative and an at-large member;
- \$39,960 for a security contract for two state troopers to staff the Board's in-person meetings (hourly contracts for twice per month meetings);
- \$57,337 (0.5 FTE) for information technology technical support during board meetings including related operating costs.

*RECOMMENDATION:* **Staff recommends the request, with an adjustment to the salary and benefits reflected for the IT professional to comport with Committee common policy and an adjustment to Board member expenses, including to prorate the first year.** The request was for an overall increase of 40.0 percent above the FY 2021-22 appropriation of \$318,751. The staff recommendation, detailed below, would provide for an 29.5 percent increase when annualized in the second year.

STAFF RECOMMENDATION R3 OPERATING EXPENSES STATE BOARD OF EDUCATION		
	FY 2022-23	FY 2023-24
Board Member Expenses	\$10,500	\$21,000
Troopers (2 troopers, \$90/hour, 222 hours per year)	39,960	39,960
0.5 IT position, year 1, excluding "pots"	31,614	33,117
<b>TOTAL Line Item Adjustment</b>	<b>\$82,074</b>	<b>\$94,077</b>
Estimated Centrally Appropriated Funding (Year 2)	<u>0</u>	<u>7,921</u>
<b>Total Decision Item Cost (General Fund)</b>	<b>\$82,074</b>	<b>\$101,998</b>
<b>FTE Detail</b>		
Prorated FTE	0.5 FTE	0.5 FTE
Personal Services (0.5 FTE IT professional)	\$29,739	\$32,441
Standard Operating	675	675
Capital Outlay	<u>1,200</u>	<u>0</u>
<b>FTE Expenditures</b>	<b>\$31,614</b>	<b>\$33,117</b>
Additional: Centrally appropriated benefits estimate		\$7,921

\*Not included in first year, per Committee common policy.

*ANALYSIS:*

*Background:* Currently the State Board of Education (SBE) is comprised of seven members, representing each of the state's Congressional Districts. The members serve without pay. Article IX of the State Constitution provides that there shall be one member elected from each of the state's congressional districts and that, if that results in an even number, an additional member shall be elected from the state at large. Within the limits of its jurisdiction, the Board appoints the Commissioner of Education and makes rules and regulations that apply to school districts, accredits public school districts, and regulates educator licensing, among other duties. The Board typically meets once per month for two days, but schedules additional extraordinary meetings as needed.

*Board Member Expenses:* As reflected in the request, the State Constitution requires the addition of two new State Board of Education (SBE). Board members may not be paid for their work but can request reimbursement for any expenses necessary to do their job as an elected official, including conference registrations, mileage to and from board meetings and events, and lodging and meals when appropriate. The Department provided data on the current reimbursements for SBE members, which indicates average costs for multiple years have been close to \$7,000 per person per year. The request also estimates that the new at-large position might have *additional* costs of \$1,100 per month/\$13,200 per year to enable the new official to travel to meet constituents throughout the State, so that total estimated expense reimbursements for the at large member would be \$20,200 per year.

The request for \$20,200 per year for expenses for the new at large board member seems high to staff, given the Board's history of reimbursements of about \$7,000 per year per member, even pre-pandemic. The Department notes that it does not know where the new at-large member will be from and anticipates that the new member might want to travel to visit other parts of the state. Staff does not wish to constrain the new at-large member's travel, but is still skeptical that the new member would choose to travel so much more than members of the Board have chosen to do in the past. Information provided by the Department suggests that it has probably never paid expenses for a member that exceed \$13,000 for the year. In light of this, **the staff recommendation is to assume expenses of \$14,000 per year for the new at-large member, which is double the \$7,000 per**

**member historical average. In addition, since the new officials will not be sworn in until January 2023, staff has prorated the funding for FY 2022-23 to one-half year.**

*IT Professional:* The request also proposes additional funding for a 0.5 FTE IT professional to support board meetings, as the request indicates that the board is currently using IT staff with other Department responsibilities. The request includes a list of the specific responsibilities and hours required of IT staff to manage, record, and post data. The resulting calculation for 1,040 hours seems reasonable. However, the request was for funding at the mid-point of the salary range and included funding for centrally-appropriated amounts. **Staff has adjusted this consistent with Committee common policy, incorporating the minimum on the salary schedule and excluding centrally-appropriated amounts for the first year.** Based on consultation with the Legislative Information Services (LIS) director, the amount recommended is consistent with the salary level typically provided by LIS for this type of position.

*Security Costs:* The request for security from State Patrol is calculated at \$90 per hour for two troopers working two full 8 hour days per month and an additional 6 hours per day one day per month from January to May for legislative updates. The request indicates the hourly amount was provide by State Patrol. Staff notes that the General Assembly has also increased security over the years, and, given this, the proposal to add security for the State Board seems reasonable.

The State Board of Education has separately requested capital construction funding for a new committee room that will accommodate the additional board members. This request will be considered as part of the Capital Construction budget request.

## → R5 CSI MILL LEVY OVERRIDE EQUALIZATION [BILL OPTION]

*REQUEST:* The request includes a \$10,000,000 General Fund increase, representing a 111% funding increase, for mill levy equalization for Charter School Institute (CSI) charter schools. Reappropriated funds included in the request double-count this figure. Many school districts throughout the state have received voter permission to raise local tax revenue above the approved state per-pupil operating revenue amount (PPOR). However, charter schools that are authorized by the CSI instead of their local school district do not have access to such additional local mill levy support. The General Assembly currently provides \$9.0 million General Fund to help address the disparate revenue available to CSI charter schools versus schools operating within the same region that are authorized by their local school district. The request would increase this contribution to \$19,000,000 General Fund, reducing the gap in per pupil funding available for CSI schools compared to other public schools.

CSI has also expressed interest in a bill to address certain issues in the CSI mill levy override equalization statute, which could potentially be sponsored by the JBC.

*RECOMMENDATION:* **Staff does not recommend the requested increase of \$10,000,000 General Fund for the CSI Mill Levy Equalization Override line item.**

- Staff believes that CSI's position is that its schools should not receive less funding per student than students at neighboring public schools is compelling. CSI charter schools fill important niches in the array of school offerings, including unique programs for new immigrants and, most recently, the Ute Mountain Ute community. The funding differences between CSI schools and

district schools are substantial. While successful CSI charters overcome the discrepancy, CSI charters clearly face more financial obstacles than most district schools.

- Nonetheless, staff remains concerned about the *source* for equalizing funding (state General Fund) and the resulting impact on the state budget.
  - Staff is concerned about building incentives for charter schools, and their local school districts, to encourage charter schools to pursue CSI authorization instead of local district authorization. While there are clearly many factors that charter schools and districts take into account when deciding upon an authorizer, as the CSI mill levy override equalization amount grows, it will build incentives in favor of CSI authorization. This is directly contrary to the State's financial interest in ensuring that school districts contribute local tax funding in support of students attending local public charter schools.
  - In light of the above concern, staff believes that reducing the budget stabilization factor across the public education system should be a higher priority than increasing funding for students in CSI charters to nearly \$1,000 per enrolled student.
- Whether or not the JBC chooses to increase funding for CSI mill levy override equalization, staff believes the proposed bill could address some technical deficiencies in the CSI statute. However, it appears that the most immediate concern for CSI can be addressed through the Long Bill. CSI had noted that it receives interest earnings in the Mill Levy Override Equalization Fund, which it has not been able to spend. Its proposed solution was continuous spending authority for money in the Mill Levy Override Equalization Fund. While staff does not object to that solution, the problem can also be addressed by additional spending authority. Therefore:
  - **The staff recommendation includes adding a \$209,923 cash funds appropriation in the Mill Levy Override Equalization line item for FY 2022-23. This represents the estimated interest revenue that will be available to CSI at the end of FY 2021-22.**
  - **As the CSI indicates that its other concerns do not require immediate action, staff does not recommend a JBC bill for CSI at this time.**

*ANALYSIS:*

*Background - State Charter School Institute*

The State Charter School Institute (CSI) is a statewide charter school authorizer, functioning as an independent agency in the Department of Education. Governed by a nine-member board, the CSI is allowed to authorize charter schools located within a school district's boundaries if the school district has not retained exclusive chartering authority. With the permission of the geographic district, CSI can also authorize schools within districts that have retained exclusive chartering authority.

There are 42 CSI schools operating in FY 2021-22, located in 17 different school districts and serving more than 20,000 students. This makes CSI comparable in size to the 15<sup>th</sup> largest school district in the State. However, CSI's portfolio of charter schools is a small share of the 261 charter schools operating statewide, most of which operate under the authorization of their local school district.

CSI schools have access to per pupil operating revenue (PPOR) equal to the PPOR for the district in which they are geographically located. For students enrolled in CSI schools, state fund allocations to the district are reduced by an amount equal to the full PPOR calculated for the district (including the

state and local share) multiplied by the number of CSI students. However, the school district's total *local* mill levy funds do not change, despite serving fewer students.

- The net fiscal impact for the district is that its total PPOR support is reduced by the number of students who are served in a CSI school instead of a district school.
- The impact for CSI is that it receives a PPOR payment for each student in a CSI charter school that equals the PPOR for the district in which the CSI charter school is located.
- The net impact on the state budget is the same as if the student were enrolled in the student's school district.

In addition, CSI schools receive allocations for federal funds distributed by the Department, consistent with the various federal allocation policies. This includes allocations of federal Title I and special education funds and, most recently, federal ESSER funds. Further, CSI schools have access to some funds specifically designated for charter schools, such as the BEST Charter School Facilities Assistance program.

Unlike schools in most public school districts, CSI schools generally do not receive support from mill levy overrides and bond measures approved by voters.<sup>1</sup> This is because CSI is not legally connected to local school districts, and neither the State nor CSI appear to have authority to require school districts to transfer funds to CSI or to request that voters authorize mill levy or bond funding for CSI schools. This differs from the situation for district-authorized charter schools. District-authorized charter schools historically had uneven access to local mill levy override revenues, based on decisions at the district level. However, H.B. 17-1375 required *all* districts to share override revenues with *district-authorized* charter schools on an equal per pupil basis beginning in FY 2019-20.

Since CSI-authorized schools do not have access to local override revenues, H.B. 17-1375 created the Mill Levy Equalization Fund to support *state* payments to CSI schools to equalize the local override revenues available in CSI schools' geographic districts.

*Request R5 – CSI Mill Levy Equalization*

With request R5, the Governor's Office is seeking an increase of \$10,000,000 General Fund to support mill levy equalization payments for CSI schools in FY 2022-23, increasing total funding by 111% from the \$9,000,000 currently appropriated. The request is to appropriate that amount into the Mill Levy Equalization Fund and then reappropriate the same amount out of the cash fund (as reappropriated funds) to support the actual equalization payments.

PROJECTED STATE MILL LEVY OVERRIDE FUNDING BY SCHOOL IF R5 IS APPROVED					
DISTRICT	CSI SCHOOL NAME	DISTRICT PER PUPIL OVERRIDE	"FULL" MLO FUNDING	DISTRIBUTION WITH FY 23 REQUEST	REQUESTED ALLOCATION AS % FULL FUNDING
Adams 12 Five Star	Academy Of Charter Schools	\$1,704	\$3,158,786	\$1,799,493	57.0%
Adams 12 Five Star	Global Village Academy - Northglenn	1,704	1,451,611	826,952	57.0%
Adams 12 Five Star	The Pinnacle Charter School	1,704	3,598,359	2,049,908	57.0%
Aurora	Colorado Early Colleges - Aurora	2,665	1,142,094	415,902	36.4%
Aurora	Montessori Del Mundo Charter School	2,665	726,302	264,489	36.4%
Aurora	New America School - Aurora	2,665	378,477	137,825	36.4%
Aurora	New Legacy Charter High School	2,665	226,553	82,501	36.4%
Brighton 27j	High Point Academy	39	27,059	27,059	100.0%
Colorado Springs	Coperni 3	2,829	1,168,556	400,858	34.3%

<sup>1</sup> One school district, Durango, included a CSI school as part of a mill levy measure. CSI reports this is the sole exception.

PROJECTED STATE MILL LEVY OVERRIDE FUNDING BY SCHOOL IF R5 IS APPROVED					
DISTRICT	CSI SCHOOL NAME	DISTRICT PER PUPIL OVERRIDE	"FULL" MLO FUNDING	DISTRIBUTION WITH FY 23 REQUEST	REQUESTED ALLOCATION AS % FULL FUNDING
Colorado Springs	Colorado Military Academy	2,829	1,933,917	663,405	34.3%
Colorado Springs	Colorado Springs Charter Academy	2,829	1,140,261	391,152	34.3%
Colorado Springs	Colorado Springs Early Colleges	2,829	1,733,028	594,493	34.3%
Colorado Springs	Colorado International Language Academy	2,829	793,656	272,253	34.3%
Colorado Springs	James Irwin Charter Academy	2,829	868,636	297,974	34.3%
Colorado Springs	Launch High School	2,829	0	0	n/a
Colorado Springs	Coperni 2	2,829	656,428	225,179	34.3%
Colorado Springs	Mountain Song Community School	2,829	1,011,522	346,990	34.3%
Colorado Springs	Thomas Maclaren State Charter School	769	2,562,051	878,879	34.3%
Commerce City	Community Leadership Academy/ Victory Prep	1,163	459,731	459,731	100.0%
Douglas	Ascent Classical Academy - Douglas County	1,163	914,818	763,377	83.4%
Douglas	Colorado Early Colleges Douglas County	1,817	1,153,263	962,350	83.4%
Durango	Animas High School	1,817	360,708	192,664	53.4%
Durango	Mountain Middle School	2,515	463,378	247,503	53.4%
Eagle	Stone Creek School	1,830	789,694	304,769	38.6%
Jefferson County	Goldenview	1,830	1,315,896	697,862	53.0%
Jefferson County	Prospect Academy	740	274,526	145,590	53.0%
Mesa Valley	Caprock Academy	740	647,367	647,367	100.0%
Mesa Valley	Monument View Montessori	\$-	45,131	45,131	100.0%
Montezuma Cortez	Kwiyagat Community Academy	2,048	0	0	n/a
Poudre	Ascent Classical Academy - Northern Colorado	2,048	1,049,363	497,433	47.4%
Poudre	Axis International Academy	2,048	378,794	179,561	47.4%
Poudre	Colorado Early College Fort Collins	2,048	2,420,189	1,147,250	47.4%
Poudre	Colorado Early College - Fort Collins West	2,048	629,618	298,460	47.4%
Poudre	Colorado Early College - Windsor	2,048	1,463,989	693,979	47.4%
Poudre	Pueblo School Of Arts And Sciences E-Learning Academy	2,048	102,377	48,530	47.4%
Poudre	Academy Of Arts & Knowledge	2,976	310,202	147,046	47.4%
Roaring Fork	Ross Montessori School	2,976	922,692	300,886	32.6%
Roaring Fork	Two Rivers Community School	1,582	1,166,758	380,475	32.6%
Salida	Salida Montessori Charter School	1,457	185,057	113,560	61.4%
Steamboat Springs	Steamboat Montessori Charter School	2,806	185,013	123,266	66.6%
Westminster 50	Crown Pointe Charter Academy	2,806	1,296,431	448,417	34.6%
Westminster 50	Early College Of Arvada	2,806	698,726	241,680	34.6%
Westminster 50	Ricardo Flores Magon Academy	1,704	687,501	237,797	34.6%
<b>Total</b>			<b>\$40,498,520</b>	<b>\$19,000,000</b>	<b>46.9%</b>

The request highlights the following issues:

The CSI plays an important role in the State as an effective authorizer for charter schools. CSI authorizes schools throughout the State that are premised on a wide array of educational approaches: alternative education, tribal culture and language, classical, dual language, early college, Montessori, project-based and Waldorf.

- CSI holds its schools accountable through regular review and analysis of outcome data. In FY 2018-19, 38 of the 39 CSI schools earned one of the state's highest two rating for academic performance.
- Collectively, CSI schools serve minority students, English language learners, and students eligible for free or reduced lunch at rates that are similar to the rates at other public schools. It continues to prioritize service to and outcomes for at-risk children. Board resolutions and

CSI activities reflect significant efforts to expand charter school capacity for serving students with special needs<sup>2</sup>, and the Board has directed CSI staff to incorporate diversity, equity, and inclusion into organizational goals.

CSI schools face persistent and systemic funding disparities. These funding disparities have significant impact on CSI students. The request highlights the four CSI schools in Aurora which are disproportionately minority, economically disadvantaged, and serve a large share of English learners.

- CSI teachers and principals receive over \$10,000 less in salary per year on average (CSI average teacher salary of \$41,672, versus district average teacher salary of \$54,950), resulting in turnover that is far higher than at other schools (32% teacher turnover at CSI schools compared to 16% at district schools).
- CSI schools spend a much larger share of their operating expenses on facility costs: CSI schools spend an average of 18% of total spending on facility costs, compared to less than 4% for district schools.
- CSI schools are limited in transportation and food service offerings: Fewer than half of CSI schools have the ability to offer regular transportation services between school and home. CSI schools must often rely on non-district school food authorities to support their food service programs.

#### *State Budget Impact and Potential Growth*

The current CSI request would increase the CSI mill levy equalization figure to \$19.0 million, increasing the state funded mill levy equalization support to \$971 per pupil at almost all CSI schools. The exceptions are those where there is no mill levy override in place (Montezuma-Cortez) or where the current mill levy override is below \$971 per pupil for the district (such as Mesa Valley).

CSI is clear that this amount will not fully equalize mill levy override support, leaving the door open for substantial additional increases in the future.

- As reflected in the CSI request, it will take \$21.5 million beyond the current request to equalize local district mill levy override amounts, based on the number of CSI students estimated to be enrolled in FY 2022-23 and local mill levies enacted to date.
- Staff compared data from Legislative Council Staff on the maximum mill levy overrides allowed in districts where CSI schools currently operate with the current mill levy overrides. In some cases, school districts are already at the cap allowed (25-30 percent of total program funding). In other cases, districts have not thus far adopted any mill levy overrides. Based on this analysis, staff calculates that if voters in all of the 16 districts where CSI schools operate voted to increase their local district mill levy overrides to the maximum now allowed under state law, and the State chose to equalize this figure for CSI schools, a further \$17.3 million would be required in addition to the \$21.5 million calculated above.

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<sup>2</sup> Enrollment of students with IEPs in CSI schools is still substantially below that of other schools, on average.



CSI MILL LEVY OVERRIDE COSTS PER PUPIL: REQUEST, "FULL EQUALIZATION", AND MAXIMUM DISTRICT OVERRIDE							
	2022-23 CSI SCHOOL PROJECTED FUNDED COUNT	NOVEMBER 1 REQUEST		IF FUND "FULL" CURRENT EQUALIZATION		IF DISTRICT INCREASES MLO TO MAXIMUM	
		CSI MILL LEVY OVERRIDE TOTAL	CSI MILL LEVY OVERRIDE PER PUPIL	CSI MILL LEVY OVERRIDE TOTAL	CSI MILL LEVY OVERRIDE PER PUPIL	CSI MILL LEVY OVERRIDE TOTAL	CSI MILL LEVY OVERRIDE PER PUPIL
Adams 12 Five Star	4,818	\$4,676,354	\$971	\$8,208,756	\$1,704	\$13,121,026	\$2,723
Aurora	928.0	900,717	971	2,473,426	2,665	2,473,426	2,665
Brighton 27j	696.5	27,059	39	27,059	39	1,634,687	2,347
Colorado Springs	4,194.5	4,071,184	971	11,868,056	2,829	13,728,741	3,273
Commerce City	597.5	459,731	769	459,731	769	1,746,500	2,923
Douglas	1,778.0	1,725,728	971	2,068,081	1,163	4,239,766	2,385
Durango	453.5	440,167	971	824,087	1,817	1,000,395	2,206
Eagle	314.0	304,769	971	789,694	2,515	936,672	2,983
Jefferson County	869.0	843,452	971	1,590,422	1,830	2,157,305	2,483
Mesa Valley	936.0	692,498	740	692,498	740	2,192,505	2,342
Montezuma Cortez	27.0	0	-	-	-	62,820	2,327
Poudre	3,103.5	3,012,259	971	6,354,531	2,048	7,958,440	2,564
Roaring Fork	702.0	681,362	971	2,089,450	2,976	2,956,947	4,212
Salida	117.0	113,560	971	185,057	1,582	298,366	2,550
Steamboat Springs	127.0	123,266	971	185,013	1,457	347,032	2,733
Westminster 50	956.0	927,894	971	2,682,659	2,806	2,916,387	3,051
<b>TOTAL</b>	<b>20,617.5</b>	<b>\$19,000,000</b>		<b>\$40,498,520</b>		<b>\$57,771,015</b>	

Other factors are also likely to increase the equalization calculation in future years, including changes in the number of schools that are authorized by CSI or their locations, the number of students enrolled in CSI schools, and changes in the value of district mill levy overrides per non-CSI pupil.

- In the last few years, the number of CSI schools has not changed substantially, but the number of students enrolled in CSI schools has increased. For the five year period from FY 2015-16 to FY 2020-21, CSI enrollment increased at a compound average annual rate of growth of 6.6 percent, while the compound average annual growth rate for the state enrollment as a whole was (0.4%) percent. This included an increase of 13.5 percent for CSI enrollment in FY 2020-21, and a decrease of 3.3 percent for the State as a whole in FY 2020-21.
- Even if CSI schools and pupil counts remain stable, over time the cost of equalizing funding for CSI students will increase if assessed valuation per non-CSI student increases.

CSI emphasizes that even if the State were to equalize operating mill levies, there are other areas in which its schools still are not equal, including local mill levies for bonds (which are not included in the calculation) and state "declining enrollment" support for districts which effectively increase many districts' per pupil revenue but in which CSI does not share. CSI is not pursuing equality in these areas, but presumably might in the future.

*The alternative - authorization by local school districts*

Charter schools and districts have a choice. They may be authorized by local districts or they may be authorized by CSI. Further, pursuant to H.B. 17-1375, charter schools that operate within school districts have equitable access to local funds, as well state funds. *Previous budget requests have indicated that many CSI schools could have been district-authorized charter schools.* According to an FY 2018-19 budget

request, of the portfolio of 41 CSI schools at that time, 13 were previously approved by local districts and transferred to CSI (schools choose CSI or local districts for a variety of reasons, including financial differences), six were new schools that were also approved by local districts but chose CSI, and 20 were new schools that did not even apply for authorization by a local district and went straight to CSI. Of that portfolio of schools, two were originally denied by a local district before applying to CSI. If those schools had been authorized by districts, they would have access to local revenues, as provided by H.B 17-1375.

Given funding sources, it is in the State's financial interest to have local districts authorize charter schools, rather than CSI.

CSI notes that there are multiple considerations when a school seeks CSI authorization and a school district allows CSI to authorize a school, rather than retaining the authority itself. From a financial perspective, a district may take into consideration mill levy sharing, impact on declining enrollment funding, impact on federal funding allocations, and costs to authorize. Beyond the financial, it may consider its influence on charter school programming and how this will affect the district's overall performance rating. Likewise, a school will consider issues such as mill levy/mill levy override equalization support, inclusion in future bonds, and distribution of state and federal funds, as well as accountability procedures and potentially caps on enrollment.

While staff recognizes that districts and schools have many considerations when selecting an authorizer, if the State ratchets up its support for CSI mill levy overrides using solely state funds, it builds incentives for schools to seek CSI authorization and districts to support this, since state funds, rather than local district funds, will cover mill levy override costs.

#### *Legislation Option*

CSI also seeks some statutory changes. These changes would:

- Provide continuous spending authority for the CSI Mill Levy Equalization fund, so that accrued interest can be expended.
- Add language to Section 22-30.5-513.1 (2)(b) to eliminate the requirement to distribute CSI mill levy equalization funds to multidistrict online charter schools
- Add language that would enable funds to be weighted to provide additional funding to historically underserved populations.

In response to staff questions about whether CSI wishes the JBC to carry related legislation, CSI responded that "CSI is currently exploring all options and is open to the JBC carrying legislation regarding changes to the Mill Levy Equalization distribution 22-30.5-513.1(2)(b) should that be the best approach for any statutory changes".

## → R7 EMPOWERING PARENTS WITH SCHOOL INFORMATION

*REQUEST:* The request includes \$526,315 General Fund and 1.8 FTE, annualizing to \$257,763 General Fund and 2.0 FTE in FY 2023-24 and beyond, to improve data quality, accessibility, and transparency in the State's school and district dashboard, SchoolView. The request will replace the current outdated technology and make it easier for parents to find and understand and will increase accessibility for people with disabilities. The current SchoolView system was added in 2001 and uses Oracle Application Development Framework technology, which is difficult and costly for the Department to

maintain. Over the past seven years, the Department has strategically improved sections of the data infrastructure to align with various modernization efforts. The additional FTE who would be added with this request will facilitate the buildout of the presentation layer of state's data warehouse, ensuring full use of the new reporting capabilities available via a previously-acquired Tableau Server. The funding will enable the State to hire a data warehouse designer/developer and will also enable the Department to contract externally for specialized skills needed to expedite the SchoolView improvement process. The Department requests this funding in the Longitudinal Analyses of Student Assessment Results line item.

*RECOMMENDATION:* Staff recommends the request with the following exceptions:

- The request was not clear that the communications specialist position would be term-limited. Based on the feedback from program staff, staff is recommending both positions as the high salaries requested in the hope that this will result in an effective SchoolView tool. However, the staff recommendation also provides the additional funding for the communications specialist for eighteen months only, with the funding for the position annualizing to a 0.5 FTE in FY 2023-24 and no funding for the position in FY 2024-25. In FY 2024-25, the recommendation would fund 1.0 FTE at a cost of \$119,283 plus centrally-appropriated amounts and related adjustments.
- Consistent with Committee common policy, staff has not included centrally-appropriated benefits amounts for the first year. Also consistent with Committee common policy, staff has not included leased space funding associated with this request. Finally, as the communications specialist position is supposed to be term limited, staff has not included \$5,000 for a suite of office furniture for this position.

The recommendation is reflected in the table below.

STAFF RECOMMENDATION - REQUEST R7 - EMPOWERING PARENTS					
	ANNUAL SALARY/FTE	FTE	FY 2022-23 SALARY, PERA, MEDICARE	FTE	FY 2023-24 SALARY, PERA, MEDICARE
IT Professional	73,168	0.9	\$108,106	1.0	\$117,933
Mktg & Comm Spec III*	108,106	0.9	73,168	0.5	39,909
<b>Total</b>		<b>1.8</b>	<b>\$181,274</b>	<b>1.5</b>	<b>\$157,842</b>
	Cost per FTE				
Operating (supplies, telephone, software)	1,350	2.0	2,700	1.5	2,025
Computer	1,200	2.0	2,400	0.0	0
Capital outlay	5,000	1.0	5,000		0
Contracted Services			276,000		
<b>Total-General Fund</b>		<b>1.8</b>	<b>\$467,374</b>	<b>1.5</b>	<b>\$159,867</b>
	Cost per FTE				
<i>Estimated Benefits (Year 2, Centrally Appropriated)</i>					
Insurance	10,000		not included yr 1		15,000
Short-term Disability	0.17%		not included yr 1		238
Supplemental PERA	10.0%		not included yr 1		13,975
<b>Total Including Estimated Benefits</b>		<b>1.8</b>	<b>\$467,374</b>		<b>\$189,080</b>

\*Term limited to 18 months- no funding in FY 2024-25 onward

*ANALYSIS:**Current system:*

- As indicated in the request, the current SchoolView system was added in 2001 and uses technology that is difficult and costly to maintain. Because student assessments have changed, school performance data is split across multiple systems and comes from different assessment vendors. The Department reports that because SchoolView is now a patchwork of different legacy systems, the effort required to maintain and update the system is extensive.
- From a user perspective, it appears that interested persons must search through various components of the Department's website to find accountability and performance reports on schools that interest them. CDE notes that it adheres to the letter of the law with respect to federal Every Student Succeeds Act of 2015 (ESSA) reporting on school performance. However, CDE would like to make the data easier to access.
- The Department notes that schools and communities are more data driven than in the past, and state and federal requirements continue to evolve.
- The request states that the federal Office for Civil Rights has found the system out of compliance with the Americans with Disabilities Act.

*Importance of Easy Public Access:*

- As referenced in the request, the Education Leadership Council's 2018 report, the State of Education, emphasized the need to "Ensure that access to information about educational settings, including school performance data, is transparent, widespread, and easy-to-understand, so that all families can make informed choices for their children."<sup>3</sup> The report noted that this should include efforts to: "simplify student and parent access to a wide range of descriptive information" and "ensure that information is made available in a wide array of languages and on a variety of platforms".

*Improvement Efforts Funded to-date and current request:*

- The Department states that over the past seven years, it has strategically improved sections of the infrastructure, in part based on resources requested and received, including two new positions and for a business intelligence team and a new data reporting tool (Tableau Server).
- It anticipates that with an additional permanent FTE and one-time contract resources, it will be able to provide the majority of buildout of the presentation level of the data warehouse so that the Department's new reporting tools can more easily pull information from the data warehouse. The presentation layer within the Data Warehouse is the last segment of the Data Warehouse requiring an upgrade.
- The request for \$526,315 and 1.8 FTE would fund:
  - A data warehouse designer/developer FTE to develop an information exchange layer between the existing warehouse and the SchoolView reporting tool, in collaboration with contractors;
  - A marketing and communications specialist to manage an internal and external engagement and feedback process to help launch the improved SchoolView dashboard.
  - 2,760 hours from contractors at an estimated rate of \$100 per hour.

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<sup>3</sup> <https://drive.google.com/file/d/16tofb4KjSaCYqfPKI6w3PnDKsY83FDyL/view>

*Responses to Staff Questions:*

- Staff requested that the Department comment on why federal funds could not be used for this initiative. The State Board of Education has voted that, of the \$132.5 million set-aside from ESSER funds for state-level initiatives, it will direct \$7-\$10 million to a "data pipeline, customer relations, and grant management tool with data visualization", as well as \$1 million to a data evaluation office.

The Department responded that "ESSER funds are meant to address pandemic recovery needs, they are very targeted and will be applied toward 3 discreet projects, with defined start and stop dates. We are not allowed to use the ESSER funds for maintenance....we are being very conscious in our planning for the ESSER projects to make sure that we see enough operational savings in other areas through transitions to lower cost platforms to accommodate the necessary maintenance going forward....The requested state funds represent ongoing needs that were identified prior to the pandemic...."

- Staff also noted that the Department requested funding for both the data warehouse developer position and the communications specialist positions in the *fourth quartile* of the salary range, far above the JBC's common policy. In response to these questions, the Department responded as follows:

IT Developer position: "The data modeling, database design, and business intelligence expertise. These are skills very much in demand right now. Add to that the fact that we use Informatica and Oracle, that bumps up the salaries as well. A... developer [with the skills sought] is easily looking at the 4th quartile based on our recent hiring efforts for existing vacancies on that team. A salary of approximately \$89,000 (mid-point) would not be expected to be successful in recruiting the skill set needed. Offering \$104,000 (bottom of fourth quartile) to a...developer with the skills and experience we are looking for is reasonable and actually quite low if you look at the open market. We have had two around 6 month efforts to hire two IT pros – and in both cases had to go with higher salaries than originally posted. Another posting for a general developer is on the brink of two failed postings at present. Recruiting information technology skill sets is an ongoing challenge."

Communications specialist position: "The communications position is not expected to be permanent but only last for about 18 months. Therefore, the requested salary was deemed necessary to get a qualified candidate for a position expected to only last 18 months."

## → SI INFORMATION TECHNOLOGY SERVICES FUND SOURCE ADJUSTMENT

*REQUEST:* The Department did not formally request the change described below but drew the issue to JBC Staff's attention and is supportive of the recommendation.

*RECOMMENDATION:* Staff recommends an adjustment in the Information Technology Services line item to reduce \$103,331 reappropriated funds from the State Share of Districts' Total Program funding and replace this with General Fund. This is a follow-on adjustment to action the Committee took last year to change the funding source for \$3.2 million for School Finance Administration (and associated centrally appropriated amounts) with General Fund. The description of the rationale therefore reflects

last year's staff write up on the issue. This amount includes base funding, as well as annualization of prior year salary survey.

*ANALYSIS:* As discussed in FY 2021-22 figure setting for the Department of Education:

- The use of reappropriated funds from the State Share of Districts' Total Program Funding was a rescission mechanism adopted in FY 2009-10 and authorized in law. Facing budgetary challenges for FY 2009-10, the General Assembly changed the funding mechanism for School Finance Administration. Rather than appropriating General Fund, the General Assembly instead authorized the use of funds withheld from total program (reflected as reappropriated funds) to support the administration costs. The FY 2009-10 appropriation included a total of \$1.5 million reappropriated funds and 18.0 FTE for this purpose. The 2009 School Finance Bill (S.B. 09-215) bill included the following language (see Sec. 22-54-114 (2.3), C.R.S.) authorizing the use of the rescission, subject to appropriation by the General Assembly:

“(2.3) Notwithstanding any provision of this article to the contrary, of the total amount appropriated by the general assembly in the annual appropriation bill for each budget year to meet the state's share of the total program of all districts and the total funding for all institute charter schools, the department of education may transfer an amount specified by the general assembly in the annual general appropriation bill for that budget year to offset the direct and indirect administrative costs incurred by the department in implementing the provisions of this article. The total program of each district that receives state aid and the total funding for each institute charter school shall be reduced by a percentage determined by dividing the amount of the transfer by the total program of all districts that receive state aid plus the total funding for all institute charter schools. The state aid of each district shall be reduced by the amount of the reduction in the district's total program or the amount of state aid, whichever is less. The department of education shall ensure that the reduction in state aid and institute charter school funding required by this subsection (2.3) is accomplished prior to the end of the budget year. The reductions described in this subsection (2.3) shall be in addition to any reduction that may be required pursuant to section 22-54-106 (4)(c).”

- The mechanism remained in place through FY 2021-22, when most appropriations from this funding source were replaced with General Fund.
- As JBC Staff observed last year, the rescission mechanism raised various concerns, including, among other items:
  - *"No budget savings:* The rescission mechanism was created as a budget balancing measure to reduce General Fund appropriations. The mechanism worked to reduce General Fund appropriations when the State was able to fully fund total program because the administration costs were taken out of a fixed amount. However, that logic no longer holds with the budget stabilization factor in place. Staff would argue that in the current climate the rescission simply increases the budget stabilization factor actually experienced by the schools by approximately \$3.0 million rather than actually saving money.
  - *Increased transparency:* Related to the first point, staff contends that it would be more transparent to simply fund the Department's costs directly with General Fund (and

increase the budget stabilization factor by that amount). It is staff's understanding that the education stakeholders agree that eliminating the rescission would improve transparency and would support the change."

Staff also expressed concern about whether the uses of the funds were appropriate, given the funding source, and noted that there was support "from the field" for the proposed change.

**→ SI CORRECT ANNUALIZATION OF H.B. 21-1104 (PROFESSIONAL EDUCATOR LICENSURE RENEWAL PERIOD)**

*REQUEST:* The request includes \$2,922,978 General Fund to help support the Office of Professional Services, providing a total request of \$5,521,635, with the balance from the Educator Licensure Cash Fund. This continues General Fund support included in H.B. 21-1104.

*RECOMMENDATION:* The staff recommendation does not include a General Fund appropriation for the Office for FY 2022-23, because the General Fund appropriation in H.B. 21-1104 was for one-time support that could be expended in FY 2021-22 and FY 2022-23. The staff recommendation reflects funding this line item solely from cash funds from the Educator Licensure Cash Fund, with the expectation that the Department will use General fund rolled forward from FY 2021-22 as needed.

*ANALYSIS:* House Bill 21-1104 extended the period for educator license renewal from five years to seven years, which was projected to reduce revenue to the Educator Licensure Cash Fund by \$1.82 million in FY 2021-22 and FY 2022-23. Associated with this, the bill provided an appropriation of \$2,922,976 General Fund to backfill the lost revenue for FY 2021-22 and FY 2022-23. Amounts not expended in FY 2021-22 were authorized to be rolled forward for expenditure in FY 2022-23. The Department has noted that the longer period for licensure renewals will reduce revenue in later years. Staff may bring options to the JBC next legislative session for addressing this long-term change. However, staff does not believe additional General Fund or other special action is required for FY 2022-23, based on the fiscal note and appropriation clause in H.B. 21-1104.

**→ SI LEASED SPACE ADJUSTMENT**

*REQUEST:* The Department's formal request reflected continuation funding for its leased space line item.

*RECOMMENDATION:* Based on updated lease cost information from the Department, staff recommends \$1,270,993 total funds for this line item, including an increase of \$23,776. The following table shows the Department's lease costs and square footage usage for each of three private lease locations for FY 2021-22 and FY 2022-23.

SUMMARY OF PROJECTED LEASED SPACE COSTS					
LOCATION	FY 2021-22 LEASE COSTS	SPACE (SQ. FT.)	FY 2022-23 LEASE COSTS	SPACE (SQ. FT.)	APPROXIMATE FTE
1560 Broadway	\$1,090,360	38,515	\$1,109,617	38,515	127.7
1580 Logan St.	63,672	2,322	0	0	0.0
6000 East Evans Ave.	156,857	9,039	161,376	9,039	28.0
<b>Total</b>	<b>\$1,247,217</b>	<b>49,876</b>	<b>\$1,270,993</b>	<b>47,554</b>	<b>155.7</b>

The table below shows the adjustment to the line item by fund source.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, LEASED SPACE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,247,217	\$66,481	\$297,365	\$37,533	\$845,838	0.0
<b>TOTAL</b>	<b>\$1,247,217</b>	<b>\$66,481</b>	<b>\$297,365</b>	<b>\$37,533</b>	<b>\$845,838</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,247,217	\$66,481	\$297,365	\$37,533	\$845,838	0.0
SI Leased space adjustment	23,776	24,277	410	(14,127)	13,216	0.0
<b>TOTAL</b>	<b>\$1,270,993</b>	<b>\$90,758</b>	<b>\$297,775</b>	<b>\$23,406</b>	<b>\$859,054</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$23,776</b>	<b>\$24,277</b>	<b>\$410</b>	<b>(\$14,127)</b>	<b>\$13,216</b>	<b>0.0</b>
Percentage Change	1.9%	36.5%	0.1%	(37.6%)	1.6%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$23,776)	(\$24,277)	(\$410)	\$14,127	(\$13,216)	0.0

**→ PENDING NON-PRIORITIZED AND COMMON POLICY ITEMS**

The following common policy and non-prioritized items were pending at the time this figure setting packet was submitted for printing. In these instances the request is reflected, even though the Committee's decision is pending. **Staff requests permission to incorporate the Committee's policy when it has made decisions on these items.**

- NP BA02 Colorado WINS Partnership Agreement (DPA), with the exception of adjustments to Health, Life, and Dental appropriations
- NP 5 Food Service and Housekeeping Comp Request (DHS)
- Paid Family and Medical Leave Funding (DPA)
- PERA Direct Distribution (DPA)
- Payments to OIT and related requests and decision items (GOV)
- Legal Services (LAW)

In addition, **if Committee common policy is modified after this document is printed, staff requests permission to make related adjustments to any affected line item.**

**LINE ITEM DETAIL — MANAGEMENT AND ADMINISTRATION**

**(A) ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS**

**STATE BOARD OF EDUCATION**

The Colorado Constitution charges the State Board of Education with the "general supervision of the public schools of the state". The Board has numerous powers and duties specified in state law. Each



congressional district elects one Board member; the Board also includes on at-large member in years when Colorado has an even number of congressional districts. Members serve six-year terms without compensation but are entitled to reimbursement for any necessary expenses incurred in the performance of their duties as members. These expenses generally include: (1) travel (in state and out of state, mileage, meals and lodging); (2) attendance at official functions; and (3) reimbursement for office related expenses.

*STATUTORY AUTHORITY:* Section 22-2-107, C.R.S.

*REQUEST:* The Department requests \$432,265 General Fund and 2.5 FTE, including increases of \$106,946 for request R3 (Operating Expenses for State Board of Education), \$5,780 to annualize prior year salary survey, and \$788 to annualize S.B. 18-200 PERA unfunded liability.

*RECOMMENDATION:* The following table shows the recommended changes from the FY 2021-22 appropriation. The differences between the request and recommendation are due to previously-reviewed differences between the request and recommendation for Request R3.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, STATE BOARD OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$318,751	\$318,751	\$0	\$0	\$0	2.0
<b>TOTAL</b>	<b>\$318,751</b>	<b>\$318,751</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$318,751	\$318,751	\$0	\$0	\$0	2.0
R3 Operating expenses for the State Board of Education	82,074	82,074	0	0	0	0.5
Annualize prior year budget actions	5,780	5,780	0	0	0	0.0
Annualize prior year legislation	788	788	0	0	0	0.0
<b>TOTAL</b>	<b>\$407,393</b>	<b>\$407,393</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>2.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$88,642</b>	<b>\$88,642</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.5</b>
Percentage Change	27.8%	27.8%	0.0%	0.0%	0.0%	25.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$432,265</b>	<b>\$432,265</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>2.5</b>
Request Above/(Below) Recommendation	\$24,872	\$24,872	\$0	\$0	\$0	0.0

## GENERAL DEPARTMENT AND PROGRAM ADMINISTRATION

This line item provides funding and staff for the management and administration of a variety of education and library-related programs, and for general department administration, including human resources, budgeting, accounting, and information management. As a “program line,” This line item supports both personal services and operating expenses. The source of cash funds for this line item is general education development (GED) program fees. Sources of reappropriated funds are indirect cost recoveries.

*STATUTORY AUTHORITY:* Article IX of the State Constitution; Sections 22-2-105 through 109, C.R.S.; and much of Title 22 of the Colorado Revised Statutes.

*REQUEST:* The Department requests an appropriation of \$5,188,254 total funds (including \$2,008,044 General Fund, \$185,491 GED program fees, and \$2,994,719 from indirect cost recoveries) and 39.8 FTE, including the following changes from the FY 2021-22 appropriation:

- An increase of \$417,218 General Fund and 5.2 FTE for Request R4 (Departmental Infrastructure)
- An increase of \$17,325 total funds to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- An increase of \$94,688 to annualize prior year salary survey

*RECOMMENDATION:* The staff recommendation is shown in the table below. Differences with the request are due to previously discussed differences in the staff recommendation for Request R4 and an adjustment to balance (Department-wide) to the indirect cost General Fund offset discussed earlier in this document. For other adjustments, the Committee common policy and Department request are aligned. **Staff requests permission to work with Department staff to calculate the allocation of indirect cost recoveries between this line item and the associated centrally appropriated line items if changes are necessary based on the Committee’s common policies.**<sup>4</sup>

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, GENERAL DEPARTMENT AND PROGRAM ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$4,659,043	\$1,543,831	\$186,145	\$2,929,067	\$0	34.6
<b>TOTAL</b>	<b>\$4,659,043</b>	<b>\$1,543,831</b>	<b>\$186,145</b>	<b>\$2,929,067</b>	<b>\$0</b>	<b>34.6</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$4,659,043	\$1,543,831	\$186,145	\$2,929,067	\$0	34.6
R4 Departmental infrastructure	409,573	409,573	0	0	0	5.2
Annualize prior year budget actions	94,668	41,356	310	53,002	0	0.0
Annualize prior year legislation	17,325	5,639	36	11,650	0	0.0
SI Indirect cost adjustments	0	(166,769)	0	166,769	0	0.0
<b>TOTAL</b>	<b>\$5,180,609</b>	<b>\$1,833,630</b>	<b>\$186,491</b>	<b>\$3,160,488</b>	<b>\$0</b>	<b>39.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$521,566</b>	<b>\$289,799</b>	<b>\$346</b>	<b>\$231,421</b>	<b>\$0</b>	<b>5.2</b>
Percentage Change	11.2%	18.8%	0.2%	7.9%	0.0%	15.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below)	\$7,645	\$174,414	\$0	(\$166,769)	\$0	(0.0)

## OFFICE OF PROFESSIONAL SERVICES

This office is responsible for administration of the Colorado Educator Licensure Act and is funded entirely through fees paid by educators seeking licenses, endorsements, and authorizations. Section 22-60.5-112, C.R.S., authorizes the State Board of Education to adjust fees charged for licensing purposes annually, if necessary, so that the revenue generated approximates the direct and indirect

<sup>4</sup> These centrally appropriated line items include the following: Health, Life, and Dental; Short-term Disability; AED; SAED; Salary Survey; Workers’ Compensation; Payment to Risk Management and Property Funds; and Capitol Complex Leased Space.

costs of administering the Colorado Educator Licensing Act. Fee revenues are deposited into the Educator Licensure Cash Fund.

Prior to FY 2011-12, funding for the Office of Professional Services was subject to annual appropriation. However, Section 22-60.5-112 (1) (b) (I), C.R.S. (as modified by H.B. 18-1100 (Educator Licensure Cash Fund and S.B. 21-206 (Educator Licensure Cash Fund)), continuously appropriates funds in the Educator Licensure Cash Fund to the Department from FY 2011-12 through FY 2023-24.

House Bill 21-1104 (Professional Educator Licensure Renewal Period) significantly modified funding for this Office. This bill extended the licensing period for professional educators from five to seven years. Based on this, revenue to the Educator Licensure Cash Fund was expected to decline by \$1.82 million in both FY 2021-22 and FY 2022-23, as license renewal payments moved out to future years. The bill included a reduction of 4.0 FTE and \$358,512 cash funds for the office and provided backfill of \$2,922,976 General Fund to be spent over FY 2021-22 and FY 2022-23.

*STATUTORY AUTHORITY:* Sections 22-60.5-101, 22-2-109, and 22-9-101, C.R.S.

*REQUEST:* The Department requests an appropriation of \$5,521,635, including \$2,922,976 General Fund and \$2,598,659 from the Educator Licensure Cash Fund FY 2022-23. The request includes an increase of \$54,556 cash funds to annualize FY 2021-22 salary survey and \$6,329 cash funds to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* The staff recommendation is described in the table below. As previously discussed in this packet, the staff recommendation includes a technical correction to annualize (eliminates) the \$2.9 million General Fund appropriation in this line item that was included in H.B. 21-1104.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, OFFICE OF PROFESSIONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$5,460,750	\$2,922,976	\$2,537,774	\$0	\$0	21.2
<b>TOTAL</b>	<b>\$5,460,750</b>	<b>\$2,922,976</b>	<b>\$2,537,774</b>	<b>\$0</b>	<b>\$0</b>	<b>21.2</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$5,460,750	\$2,922,976	\$2,537,774	\$0	\$0	21.2
Annualize prior year budget actions	54,556	0	54,556	0	0	0.0
Annualize prior year legislation	(2,916,647)	(2,922,976)	6,329	0	0	0.0
<b>TOTAL</b>	<b>\$2,598,659</b>	<b>\$0</b>	<b>\$2,598,659</b>	<b>\$0</b>	<b>\$0</b>	<b>21.2</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$2,862,091)</b>	<b>(\$2,922,976)</b>	<b>\$60,885</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(52.4%)	(100.0%)	2.4%	n/a	n/a	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$5,521,635</b>	<b>\$2,922,976</b>	<b>\$2,598,659</b>	<b>\$0</b>	<b>\$0</b>	<b>21.2</b>
Request Above/(Below) Recommendation	\$2,922,976	\$2,922,976	\$0	\$0	\$0	(0.0)

DIVISION OF ON-LINE LEARNING

Senate Bill 07-215 changed the oversight, structure, and funding of public school on-line education. This act required the State Board of Education to establish quality standards for on-line programs. The act also created the Division of On-line Learning in the Department to support on-line programs, certify multi-district programs, and document and track complaints about on-line programs. Finally, S.B. 07-215 also created a nine-member On-line Learning Advisory Board to report to the State Board on the operations of on-line programs and to provide policy recommendations.

*STATUTORY AUTHORITY:* Section 22-30.7-101 et seq., C.R.S.

*REQUEST:* The Department requests an appropriation of \$388,608 cash funds from the State Education Fund and 3.3 FTE for FY 2022-23. The request includes an increase of \$8,279 cash funds to annualize salary survey awarded in FY 2021-22 and \$6,329 to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* The staff recommendation in the table below reflects Committee common policy and matches the request.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, DIVISION OF ON-LINE LEARNING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$379,369	\$0	\$379,369	\$0	\$0	3.3
<b>TOTAL</b>	<b>\$379,369</b>	<b>\$0</b>	<b>\$379,369</b>	<b>\$0</b>	<b>\$0</b>	<b>3.3</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$379,369	\$0	\$379,369	\$0	\$0	3.3
Annualize prior year budget actions	8,279	0	8,279	0	0	0.0
Annualize prior year legislation	960	0	960	0	0	0.0
<b>TOTAL</b>	<b>\$388,608</b>	<b>\$0</b>	<b>\$388,608</b>	<b>\$0</b>	<b>\$0</b>	<b>3.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$9,239</b>	<b>\$0</b>	<b>\$9,239</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.4%	0.0%	2.4%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$388,608</b>	<b>\$0</b>	<b>\$388,608</b>	<b>\$0</b>	<b>\$0</b>	<b>3.3</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## SCHOOLS OF CHOICE

The General Assembly added this line item to the FY 2019-20 Long Bill to support the staff carrying out the Department’s responsibilities under the State’s Charter Schools Act (Sections 22-30.5-101 through 22-30.5-704, C.R.S.). In FY 2019-20, the line item included an appropriation of \$315,504 General Fund and 2.6 FTE to reflect the state-funded staff related to charter school oversight. In FY 2020-21, the Committee began reflecting \$10.0 million federal funds and 4.0 FTE associated with federal charter school grants (and under the supervision of the Schools of Choice Office) from the Appropriated Sponsored Programs line item in the Assistance to Public Schools section of the Long Bill. As a result, the line item now seeks to reflect the total funds associated with the Schools of Choice Office.

*STATUTORY AUTHORITY:* Section 22-30.5-101 through 22-30.5-704, C.R.S.

*REQUEST:* The Department requests an appropriation of \$10,368,668 total funds (including \$341,826 General Fund and a continuation of \$10,026,842 federal funds) and 6.8 FTE for this line item. The request includes an increase of \$5,997 to annualize FY 2021-22 salary survey and \$960 General Fund to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* The staff recommendation is reflected in the table below and reflects Committee common policy and a true-up to the federal funds shown for informational purposes in this line item.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, SCHOOLS OF CHOICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$10,361,853	\$335,011	\$0	\$0	\$10,026,842	6.8
<b>TOTAL</b>	<b>\$10,361,853</b>	<b>\$335,011</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,026,842</b>	<b>6.8</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$10,361,853	\$335,011	\$0	\$0	\$10,026,842	6.8
SI Informational funds adjustment	299,658	0	0	0	299,658	0.0
Annualize prior year budget actions	5,997	5,997	0	0	0	0.0
Annualize prior year legislation	818	818	0	0	0	0.0
<b>TOTAL</b>	<b>\$10,668,326</b>	<b>\$341,826</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,326,500</b>	<b>6.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$306,473</b>	<b>\$6,815</b>	<b>\$0</b>	<b>\$0</b>	<b>\$299,658</b>	<b>0.0</b>
Percentage Change	3.0%	2.0%	0.0%	0.0%	3.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$10,368,668</b>	<b>\$341,826</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,026,842</b>	<b>6.8</b>
Request Above/(Below) Recommendation	(\$299,658)	\$0	\$0	\$0	(\$299,658)	0.0

## HEALTH, LIFE, AND DENTAL

This line item provides funding for the employer's share of the cost of group benefit plans providing health, life, and dental insurance for state employees.

*STATUTORY AUTHORITY:* Pursuant to Section 24-50-611, C.R.S., and defined in Section 24-50-603 (9), C.R.S.

*REQUEST:* The Department requests \$7,162,049 total funds (including \$2,768,333 General Fund and \$437,245) for FY 2021-22. The request includes:

- An increase of \$55,461 total funds (including a decrease of \$293,673 General Fund) based on OSPB's common policies for health, life, and dental benefits.
- An increase \$14,086 General Fund for R3 Operating Expenses for State Board of Education, \$112,688 total funds (including \$98,602 General Fund) for R4 Departmental Infrastructure, and \$28,172 General Fund for R7 Empowering Parents with School Information.

- A decrease of \$ \$42,626 total funds, including \$20,313 General Fund for the non-prioritized Colorado WINS Partnership agreement.

*RECOMMENDATION:* The staff recommendation is summarized in the table below and reflects Committee common policy. As previously discussed, amounts requested for R3, R4, and R7 are not included, and this explains the difference between the request and recommendation.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, HEALTH, LIFE, AND DENTAL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$6,994,268	\$2,941,459	\$1,057,725	\$510,361	\$2,484,723	0.0
<b>TOTAL</b>	<b>\$6,994,268</b>	<b>\$2,941,459</b>	<b>\$1,057,725</b>	<b>\$510,361</b>	<b>\$2,484,723</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$6,994,268	\$2,941,459	\$1,057,725	\$510,361	\$2,484,723	0.0
Centrally appropriated line items	55,461	(293,673)	(103,987)	273,546	179,575	0.0
R3 Operating expenses for the State Board of Education	0	0	0	0	0	0.0
R4 Departmental infrastructure	0	0	0	0	0	0.0
R7 Empowering parents with information	0	0	0	0	0	0.0
BA NP CO WINS Partnership Agreement	(42,626)	(20,313)	(1,021)	(7,020)	(14,272)	0.0
<b>TOTAL</b>	<b>\$7,007,103</b>	<b>\$2,627,473</b>	<b>\$952,717</b>	<b>\$776,887</b>	<b>\$2,650,026</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$12,835</b>	<b>(\$313,986)</b>	<b>(\$105,008)</b>	<b>\$266,526</b>	<b>\$165,303</b>	<b>0.0</b>
Percentage Change	0.2%	(10.7%)	(9.9%)	52.2%	6.7%	n/a
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$154,946	\$140,860	\$14,086	\$0	\$0	0.0

### SHORT-TERM DISABILITY

This line item provides funding for the employer's share of state employees' short-term disability insurance premiums.

*STATUTORY AUTHORITY:* Pursuant to Section 24-50-611, C.R.S., and defined in Section 24-50-603 (13), C.R.S.

*REQUEST:* The Department requests an appropriation of \$75,588 total funds (including \$26,985 General Fund) for FY 2022-23. The request includes:

- A decrease of \$2,072 total funds (including a decrease of \$2,532 General Fund) based on OSPB's common policies for short-term disability.
- An increase \$55 General Fund for R3 Operating Expenses for State Board of Education, \$671 total funds (including \$568 General Fund) for R4 Departmental Infrastructure, and \$252 General Fund for R7 Empowering Parents with School Information.
- An increase of \$40 General Fund for the non-prioritized foodservice and housekeeping compensation request.

*RECOMMENDATION:* The staff recommendation is summarized in the table below and reflects Committee common policy. As previously discussed, amounts requested for R3, R4, and R7 are not included, and this explains the difference between the request and recommendation. The non-prioritized amount is pending figure setting for the Department of Human Services.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, SHORT-TERM DISABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$76,642	\$28,602	\$11,932	\$5,819	\$30,289	0.0
<b>TOTAL</b>	<b>\$76,642</b>	<b>\$28,602</b>	<b>\$11,932</b>	<b>\$5,819</b>	<b>\$30,289</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$76,642	\$28,602	\$11,932	\$5,819	\$30,289	0.0
Nonprioritized requests	40	40	0	0	0	0.0
R7 Empowering parents with information	0	0	0	0	0	0.0
R3 Operating expenses for the State Board of Education	0	0	0	0	0	0.0
R4 Departmental infrastructure	0	0	0	0	0	0.0
Centrally appropriated line items	(2,072)	(2,532)	(2,678)	2,883	255	0.0
<b>TOTAL</b>	<b>\$74,610</b>	<b>\$26,110</b>	<b>\$9,254</b>	<b>\$8,702</b>	<b>\$30,544</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$2,032)</b>	<b>(\$2,492)</b>	<b>(\$2,678)</b>	<b>\$2,883</b>	<b>\$255</b>	<b>0.0</b>
Percentage Change	(2.7%)	(8.7%)	(22.4%)	49.5%	0.8%	n/a
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$978	\$875	\$103	\$0	\$0	0.0

**PAID FAMILY MEDICAL LEAVE INSURANCE**

Colorado Proposition 118, Paid Family and Medical Leave Insurance, was adopted by the voters in November 2020. This line item funds the employer's share of the required payroll premium (0.9 percent total, of which half is paid by the employer. The payroll tax begins January 1, 2023 and finances up to 12 weeks of paid family and medical leave beginning January 1, 2024.

*STATUTORY AUTHORITY: SECTION 18-13.3-401 ET. SEQ.*

*REQUEST:* The Department requests an appropriation of \$106,042 total funds (including \$37,264 General Fund) for FY 2022-23.

*RECOMMENDATION:* The staff recommendation reflects the request, consistent with Committee common policy, and is summarized in the table below.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, PAID FAMILY MEDICAL LEAVE INSURANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, PAID FAMILY MEDICAL LEAVE INSURANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Centrally appropriated line items	\$106,042	\$37,264	\$13,122	\$12,340	\$43,316	0.0
<b>TOTAL</b>	<b>\$106,042</b>	<b>\$37,264</b>	<b>\$13,122</b>	<b>\$12,340</b>	<b>\$43,316</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$106,042</b>	<b>\$37,264</b>	<b>\$13,122</b>	<b>\$12,340</b>	<b>\$43,316</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$106,042</b>	<b>\$37,264</b>	<b>\$13,122</b>	<b>\$12,340</b>	<b>\$43,316</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT**

Pursuant to S.B. 04-257, this line item provides additional funding to increase the state contribution to the Public Employees' Retirement Association (PERA).

*STATUTORY AUTHORITY:* Section 24-51-411, C.R.S.

*REQUEST:* The Department requests an appropriation of \$2,388,329 total funds (including \$856,696 General Fund) for FY 2022-23. The request includes the following changes from the FY 2021-22 appropriation:

- A decrease of \$47,645 total funds (including a decrease of \$71,489 General Fund) based on OSPB's common policies.
- An increase \$1,705 General Fund for R3 Operating Expenses for State Board of Education, \$21,022 total funds (including \$17,792 General Fund) for R4 Departmental Infrastructure, and \$7,879 General Fund for R7 Empowering Parents with School Information.
- An increase of \$1,234 General Fund for OSPB's foodservice and housekeeping compensation request.

*RECOMMENDATION:* The staff recommendation is summarized in the table below and reflects Committee common policy. As previously discussed, amounts requested for R3, R4, and R7 are not included, and this explains the difference between the request and recommendation. The non-prioritized amount is pending figure setting in the Department of Human Services.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,404,134	\$899,575	\$373,720	\$182,249	\$948,590	0.0
<b>TOTAL</b>	<b>\$2,404,134</b>	<b>\$899,575</b>	<b>\$373,720</b>	<b>\$182,249</b>	<b>\$948,590</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,404,134	\$899,575	\$373,720	\$182,249	\$948,590	0.0
Non-prioritized requests	1,234	1,234	0	0	0	0.0
R3 Operating expenses for the State Board of Education	0		0	0	0	0.0



MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
R4 Departmental infrastructure	0	0	0	0	0	0.0
R7 Empowering parents with information	0		0	0	0	0.0
Centrally appropriated line items	(47,645)	(71,489)	(82,111)	91,976	13,979	0.0
<b>TOTAL</b>	<b>\$2,357,723</b>	<b>\$829,320</b>	<b>\$291,609</b>	<b>\$274,225</b>	<b>\$962,569</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$46,411)</b>	<b>(\$70,255)</b>	<b>(\$82,111)</b>	<b>\$91,976</b>	<b>\$13,979</b>	<b>0.0</b>
Percentage Change	(1.9%)	(7.8%)	(22.0%)	50.5%	1.5%	n/a
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$2,388,329</b>	<b>\$856,696</b>	<b>\$294,839</b>	<b>\$274,225</b>	<b>\$962,569</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$30,606	\$27,376	\$3,230	\$0	\$0	0.0

S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

Pursuant to S.B. 06-235, this line item provides additional funding to increase the state contribution for PERA.

*STATUTORY AUTHORITY:* Section 24-51-411, C.R.S.

*REQUEST:* The Department requests an appropriation of \$2,388,329 total funds (including \$856,696 General Fund) for FY 2022-23. The request includes the following changes from the FY 2021-22 appropriation:

- A decrease of \$47,645 total funds (including a decrease of \$71,489 General Fund) based on OSPB’s common policies.
- An increase \$1,705 General Fund for R3 Operating Expenses for State Board of Education, \$21,022 total funds (including \$17,792 General Fund) for R4 Departmental Infrastructure, and \$7,879 General Fund for R7 Empowering Parents with School Information.
- An increase of \$1,234 General Fund for OSPB's foodservice and housekeeping compensation request.

*RECOMMENDATION:* The staff recommendation is summarized in the table below and reflects Committee common policy. As previously discussed, amounts requested for R3, R4, and R7 are not included, and this explains the difference between the request and recommendation. The non-prioritized amount is pending figure setting in the Department of Human Services.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,404,134	\$899,575	\$373,720	\$182,249	\$948,590	0.0
<b>TOTAL</b>	<b>\$2,404,134</b>	<b>\$899,575</b>	<b>\$373,720</b>	<b>\$182,249</b>	<b>\$948,590</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,404,134	\$899,575	\$373,720	\$182,249	\$948,590	0.0
Non-prioritized requests	1,234	1,234	0	0	0	0.0

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
R3 Operating expenses for the State Board of Education	0		0	0	0	0.0
R4 Departmental infrastructure	0	0	0	0	0	0.0
R7 Empowering parents with information	0		0	0	0	0.0
Centrally appropriated line items	(47,645)	(71,489)	(82,111)	91,976	13,979	0.0
<b>TOTAL</b>	<b>\$2,357,723</b>	<b>\$829,320</b>	<b>\$291,609</b>	<b>\$274,225</b>	<b>\$962,569</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$46,411)</b>	<b>(\$70,255)</b>	<b>(\$82,111)</b>	<b>\$91,976</b>	<b>\$13,979</b>	<b>0.0</b>
Percentage Change	(1.9%)	(7.8%)	(22.0%)	50.5%	1.5%	n/a
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$2,388,329</b>	<b>\$856,696</b>	<b>\$294,839</b>	<b>\$274,225</b>	<b>\$962,569</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$30,606	\$27,376	\$3,230	\$0	\$0	0.0

### PERA DIRECT DISTRIBUTION

The General Assembly added this line item to the FY 2019-20 Long Bill to provide a common policy allocation payment for the state portion of the PERA Direct Distribution created in Section 24-51-414, C.R.S., enacted in S.B. 18-200. House Bill 20-1379 (Suspend Direct Distribution to PERA for FY 2020-21) suspended the direct distribution payments for FY 2020-21. However, these appropriations returned in FY 2021-22.

*STATUTORY AUTHORITY:* Section 24-51-414, C.R.S.

*REQUEST:* The Department is requesting an appropriation of \$1,203,101 total funds (including \$668,497 General Fund) for this line item in FY 2022-23. Please note that the request only reflects the direct distribution directly associated with Department of Education staff – not the education system as a whole.

*RECOMMENDATION:* Committee action on this item is **pending**.

### SALARY SURVEY

Prior to FY 2017-18, the Department used this line item to pay for annual increases for salary survey and senior executive positions for all of the Department’s employees (with the exception of teachers at the School for the Deaf and the Blind). For FY 2017-18 and FY 2018-19, the Long Bill appropriation divided salary survey funding into two line items, one supporting salary increases for the Department’s classified employees and one for the Department’s exempt (at-will) employees, both of which are discussed below. The FY 2019-20 Long Bill consolidated the line items back into a single Salary Survey line item, and this practice continued in FY 2021-22.

*STATUTORY AUTHORITY:* Section 24-50-104, C.R.S.

*REQUEST:* The Department is requesting an appropriation of \$1,563,472 total funds (including \$556,834 General Fund) for FY 2022-23 based on OSPB’s common polices.

*RECOMMENDATION:* The staff recommendation is summarized in the table below. The difference between the request and recommendation is that staff has classified \$23,396 in reappropriated funds that the Department identified as coming from the State Education Fund as cash funds. Staff requests permission to adjust cash and reappropriated fund source detail based on further discussion with the Department.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, SALARY SURVEY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,570,896	\$586,171	\$244,564	\$119,293	\$620,868	0.0
<b>TOTAL</b>	<b>\$1,570,896</b>	<b>\$586,171</b>	<b>\$244,564</b>	<b>\$119,293</b>	<b>\$620,868</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,570,896	\$586,171	\$244,564	\$119,293	\$620,868	0.0
Centrally appropriated line items	1,563,472	556,834	215,041	156,919	634,678	0.0
Annualize prior year budget actions	(1,570,896)	(586,171)	(244,564)	(119,293)	(620,868)	0.0
<b>TOTAL</b>	<b>\$1,563,472</b>	<b>\$556,834</b>	<b>\$215,041</b>	<b>\$156,919</b>	<b>\$634,678</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$7,424)</b>	<b>(\$29,337)</b>	<b>(\$29,523)</b>	<b>\$37,626</b>	<b>\$13,810</b>	<b>0.0</b>
Percentage Change	(0.5%)	(5.0%)	(12.1%)	31.5%	2.2%	n/a
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$1,563,472</b>	<b>\$556,834</b>	<b>\$191,645</b>	<b>\$180,315</b>	<b>\$634,678</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	(\$23,396)	\$23,396	\$0	0.0

**MERIT PAY**

This line item funds pay increases relating to employee performance evaluations.

*STATUTORY AUTHORITY:* Section 24-50-104 (1) (c), C.R.S.

*REQUEST:* Pursuant to OSPB’s common policies, the Department is not requesting any funding for merit pay increases for FY 2022-23.

*RECOMMENDATION:* Pursuant to the Committee’s common policies, staff is not recommending a merit pay increase for FY 2022-23.

**PAID FAMILY MEDICAL LEAVE FUNDING [REQUESTED NEW LINE ITEM]**

This line item is requested as part of a Department of Personnel request to cover the backfill costs associated with state employees using 160 hours (four weeks) of Paid Family Medical Leave in FY 2022-23

*STATUTORY AUTHORITY:* None.

*REQUEST:* The Department requests an appropriation of \$29,961 General Fund.

*RECOMMENDATION:* Committee action on this item is **pending**.

## WORKERS' COMPENSATION

This line pays the Department's estimated share for inclusion in the State's workers' compensation program for state employees. This program is administered by the Department of Personnel and Administration.

*STATUTORY AUTHORITY:* Section 24-30-1510.7, C.R.S.

*REQUEST:* The Department requests \$168,965 total funds, including \$81,182 General Fund. The request includes a decrease of \$89,124 total funds (including \$42,820 General Fund) for FY 2022-23 based on OSPB's common policies.

The staff recommendation is summarized in the table below and reflects Committee common policy.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, WORKERS' COMPENSATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$258,089	\$124,002	\$33,679	\$8,721	\$91,687	0.0
<b>TOTAL</b>	<b>\$258,089</b>	<b>\$124,002</b>	<b>\$33,679</b>	<b>\$8,721</b>	<b>\$91,687</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$258,089	\$124,002	\$33,679	\$8,721	\$91,687	0.0
Centrally appropriated line items	(22,206)	(10,669)	(2,897)	(750)	(7,890)	0.0
<b>TOTAL</b>	<b>\$235,883</b>	<b>\$113,333</b>	<b>\$30,782</b>	<b>\$7,971</b>	<b>\$83,797</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$22,206)</b>	<b>(\$10,669)</b>	<b>(\$2,897)</b>	<b>(\$750)</b>	<b>(\$7,890)</b>	<b>0.0</b>
Percentage Change	(8.6%)	(8.6%)	(8.6%)	(8.6%)	(8.6%)	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$66,918)	(\$32,151)	(\$8,733)	(\$2,262)	(\$23,772)	0.0

## LEGAL SERVICES

This line item provides funding for the Department to purchase legal services from the Department of Law.

*STATUTORY AUTHORITY:* Sections 24-31-101 (1)(a) and 24-75-112 (1)(i), C.R.S.

*REQUEST:* The Department requests \$1,021,909 total funds (including \$590,709 General Fund) for the purchase of legal services in FY 2022-23. The request includes a reduction of \$15,419 to annualize the appropriation in S.B. 21-056 (Expand Cannabis-based Medicine at Schools) and reduction of \$155,936 total funds (including \$90,138 General Fund) based on the requested allocation of Department of Law costs among state agencies.

*RECOMMENDATION:* The staff recommendation for the dollar amount for this line item is **pending** the Committee's decision regarding the legal rate for FY 2022-23.

## ADMINISTRATIVE LAW JUDGE SERVICES

This line item provides funding for the Department to purchase services from the Department of Personnel and Administration, Administrative Hearings Division. The appropriations for this line item consist of cash funds from the Educator Licensure Cash Fund and reappropriated funds transferred from the Special Education Programs for Children with Disabilities line item.

*STATUTORY AUTHORITY:* Sections 24-30-1001 (3) and 24-30-1002, C.R.S.

*REQUEST:* The Department requests \$136,050 total funds (including no General Fund) for FY 2022-23, including a decrease of \$10,338 total funds, to align with OSPB’s common policies for administrative law judge services.

*RECOMMENDATION:* The staff recommendation is summarized in the table below and reflects Committee common policy.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, ADMINISTRATIVE LAW JUDGE SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$146,388	\$0	\$121,121	\$25,267	\$0	0.0
<b>TOTAL</b>	<b>\$146,388</b>	<b>\$0</b>	<b>\$121,121</b>	<b>\$25,267</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$146,388	\$0	\$121,121	\$25,267	\$0	0.0
Centrally appropriated line items	(5,810)	0	(4,807)	(1,003)	0	0.0
<b>TOTAL</b>	<b>\$140,578</b>	<b>\$0</b>	<b>\$116,314</b>	<b>\$24,264</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$5,810)</b>	<b>\$0</b>	<b>(\$4,807)</b>	<b>(\$1,003)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(4.0%)	0.0%	(4.0%)	(4.0%)	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$136,050</b>	<b>\$0</b>	<b>\$112,567</b>	<b>\$23,483</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$4,528)	\$0	(\$3,747)	(\$781)	\$0	0.0

## PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

This line item provides funding for the Department's share of the statewide costs for two programs operated by the Department of Personnel and Administration: (1) the liability program, and (2) the property program. The state's liability program pays liability claims and expenses brought against the State. The property program provides insurance coverage for state buildings and their contents.

*STATUTORY AUTHORITY:* Sections 24-30-1510 and 24-30-1510.5, C.R.S.

*REQUEST:* The Department requests \$1,003,769 General Fund for FY 2022-23. The request represents an increase of \$265,574 above the FY 2021-22 appropriation based on OSPB’s common policies and an adjustment of \$7,564 for a non-prioritized decision item for CSEAP in the Department of Personnel.

*RECOMMENDATION:* The staff recommendation is summarized in the table below and reflects Committee common policy. However, the amount for the non-prioritized decision (CSEAP in the Department of Personnel) is still pending a Committee decision.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$730,631	\$730,631	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$730,631</b>	<b>\$730,631</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$730,631	\$730,631	\$0	\$0	\$0	0.0
Centrally appropriated line items	434,714	434,714	0	0	0	0.0
Nonprioritized requests	7,564	7,564	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,172,909</b>	<b>\$1,172,909</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$442,278</b>	<b>\$442,278</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	60.5%	60.5%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$1,003,769</b>	<b>\$1,003,769</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$169,140)	(\$169,140)	\$0	\$0	\$0	0.0

**LEASED SPACE**

The General Assembly added this line item to the FY 2015-16 Long Bill to support all of the Department’s appropriations for the purchase of leased space outside of the Capitol Complex.

*STATUTORY AUTHORITY:* Section 22-2-112, C.R.S.

*REQUEST:* The Department requests \$1,247,217 total funds (including \$66,481 General Fund) to support leased space costs in FY 2022-23. This represents a continuation amount from FY 2021-22.

*RECOMMENDATION:* Based on updated lease cost information from the Department, staff recommends \$1,270,993 total funds for this line item, including an increase of \$23,776. The following table shows the Department’s lease costs and square footage usage for each of three private lease locations for FY 2021-22 and FY 2022-23.

SUMMARY OF PROJECTED LEASED SPACE COSTS					
LOCATION	FY 2021-22 LEASE COSTS	SPACE (SQ. FT.)	FY 2022-23 LEASE COSTS	SPACE (SQ. FT.)	APPROXIMATE FTE
1560 Broadway	\$1,090,360	38,515	\$1,109,617	38,515	127.7
1580 Logan St.	63,672	2,322	0	0	0.0
6000 East Evans Ave.	156,857	9,039	161,376	9,039	28.0
<b>Total</b>	<b>\$1,247,217</b>	<b>49,876</b>	<b>\$1,270,993</b>	<b>47,554</b>	<b>155.7</b>

The table below shows the adjustment to the line item by fund source.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, LEASED SPACE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,247,217	\$66,481	\$297,365	\$37,533	\$845,838	0.0
<b>TOTAL</b>	<b>\$1,247,217</b>	<b>\$66,481</b>	<b>\$297,365</b>	<b>\$37,533</b>	<b>\$845,838</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,247,217	\$66,481	\$297,365	\$37,533	\$845,838	0.0
SI Leased space adjustment	23,776	24,277	410	(14,127)	13,216	0.0
<b>TOTAL</b>	<b>\$1,270,993</b>	<b>\$90,758</b>	<b>\$297,775</b>	<b>\$23,406</b>	<b>\$859,054</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$23,776</b>	<b>\$24,277</b>	<b>\$410</b>	<b>(\$14,127)</b>	<b>\$13,216</b>	<b>0.0</b>
Percentage Change	1.9%	36.5%	0.1%	(37.6%)	1.6%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$23,776)	(\$24,277)	(\$410)	\$14,127	(\$13,216)	0.0

### CAPITOL COMPLEX LEASED SPACE

This line item supports payments to the Department of Personnel and Administration for the costs of maintaining state buildings that are part of the capitol complex.

*STATUTORY AUTHORITY:* Section 24-30-1104, C.R.S.

*REQUEST:* The Department requests \$886,487 total funds (including \$352,156 General Fund) for FY 2022-23 based on OSPB’s common policy for Capitol Complex Leased Space. The request includes a decrease of \$31,302 total funds (including \$12,436 General Fund) below the FY 2021-22 appropriation.

*RECOMMENDATION:* The staff recommendation is summarized in the table below and reflects Committee common policy.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, CAPITOL COMPLEX LEASED SPACE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$917,789	\$364,592	\$109,950	\$89,255	\$353,992	0.0
<b>TOTAL</b>	<b>\$917,789</b>	<b>\$364,592</b>	<b>\$109,950</b>	<b>\$89,255</b>	<b>\$353,992</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$917,789	\$364,592	\$109,950	\$89,255	\$353,992	0.0
Centrally appropriated line items	73,499	29,198	8,805	7,148	28,348	0.0
<b>TOTAL</b>	<b>\$991,288</b>	<b>\$393,790</b>	<b>\$118,755</b>	<b>\$96,403</b>	<b>\$382,340</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$73,499</b>	<b>\$29,198</b>	<b>\$8,805</b>	<b>\$7,148</b>	<b>\$28,348</b>	<b>0.0</b>
Percentage Change	8.0%	8.0%	8.0%	8.0%	8.0%	0.0%

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, CAPITOL COMPLEX LEASED SPACE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$886,487</b>	<b>\$352,156</b>	<b>\$106,201</b>	<b>\$86,211</b>	<b>\$341,919</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$104,801)	(\$41,634)	(\$12,554)	(\$10,192)	(\$40,421)	0.0

## REPRINTING AND DISTRIBUTING LAWS CONCERNING EDUCATION

Section 22-2-112 (1)(i), C.R.S., requires the Department to "cause to be reprinted annually laws enacted by the general assembly concerning education...and to furnish copies thereof to interested persons." By statute, the State Public School Fund supports all publishing costs. Prior to FY 2010-11, this appropriation identified the source of funding as rental income earned on state education trust lands that is credited to the State Public School Fund. Pursuant to H.B. 10-1369, the revenue source is now interest and investment income earned on the Public School ("Permanent") Fund that is credited to the State Public School Fund. For FY 2021-22, the Department proposed eliminating this line item, which would have required a statutory change. The General Assembly did not proceed with this proposal.

*STATUTORY AUTHORITY:* Section 22-2-112 (1)(i), C.R.S.

*REQUEST:* The Department requests continuation funding of \$35,480 cash funds.

*RECOMMENDATION:* Staff recommends the request for continuation funding of \$35,480 cash funds from the State Public School Fund.

## (B) INFORMATION TECHNOLOGY

### INFORMATION TECHNOLOGY SERVICES

This line item provides funding and staff related to information technology support functions and includes funding and staff that were previously appropriated to the School Accountability Reports and State Data Reporting System line item, which was merged into the Information Technology Services line item in FY 2011-12.

Senate Bill 00-186 required the Department of Education to establish a state data reporting system, including computer capabilities and procedures, to produce school report cards (later renamed school accountability reports or "SARs"). The bill required the Department to prepare and distribute hard copies of each school's SAR, and to establish and maintain a web site that provides access to each school's SARs.

As a program line, this line item includes funding for both personal services and operating expenses. Sources of reappropriated funds have included transfers from various line items in other sections of the budget and indirect cost recoveries.

*STATUTORY AUTHORITY:* Section 22-2-112, C.R.S.



*REQUEST:* The Department requests \$4,652,972 total funds (including \$4,015,612 General Fund) and 30.9 FTE for FY 2022-23. The request includes the following changes from the FY 2021-22 appropriation:

- A decrease of \$52,000 General Fund for the second-year impact of H.B. 21-1294 and a decrease of \$35,000 General Fund for the second-year impact of H.B. 21-1273.
- An increase of \$75,166 General Fund to annualize FY 2021-22 salary survey.
- An increase of \$10,872 total funds (including \$10,335 General Fund) to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- As discussed pursuant to the Department's Request R4, the Department indicated that it planned to add FTE in this line item, but it did not request additional spending authority on the grounds that it would repurpose unused spending and FTE authority. In response to staff questions, the Department indicated that to facilitate the additional spending, it hoped that the General Assembly would reclassify reappropriated funds spending authority for funds transferred from other line items as indirect cost recoveries to support this additional expenditure.

*RECOMMENDATION:* The staff recommendation is summarized in the table below. As discussed related to staff-initiated and department request items, the staff recommendation:

- Refinances \$103,331 reappropriated funds from the State Share of Districts' Total Program Funding with General Fund, as a follow-on to action take last year to eliminate rescissions that affected school finance administration.
- Adds \$393,549 General Fund and 4.5 FTE for Request R4 (Department Infrastructure).
- Does not eliminate the "unused reappropriated funds spending authority" identified by the Department. This represents federal funds spent elsewhere in the Department. While staff hopes to address this in the future, staff believes this will be best addressed in the context of a more comprehensive review of the Department's budget structure.
- For other adjustments, including annualization of prior year action, the recommendation reflects Committee common policy.

MANAGEMENT AND ADMINISTRATION, INFORMATION TECHNOLOGY, INFORMATION TECHNOLOGY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$4,650,934	\$4,016,481	\$0	\$634,453	\$0	30.9
<b>TOTAL</b>	<b>\$4,650,934</b>	<b>\$4,016,481</b>	<b>\$0</b>	<b>\$634,453</b>	<b>\$0</b>	<b>30.9</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$4,650,934	\$4,016,481	\$0	\$634,453	\$0	30.9
R4 Departmental infrastructure	393,549	393,549	0	0	0	4.5
Annualize prior year budget actions	78,166	75,796	0	2,370	0	0.0
SI Replace RF from State Share of Total Program Funding with GF	0	103,331	0	(103,331)	0	0.0
Annualize prior year legislation	(76,128)	(76,665)	0	537	0	0.0
<b>TOTAL</b>	<b>\$5,046,521</b>	<b>\$4,512,492</b>	<b>\$0</b>	<b>\$534,029</b>	<b>\$0</b>	<b>35.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$395,587</b>	<b>\$496,011</b>	<b>\$0</b>	<b>(\$100,424)</b>	<b>\$0</b>	<b>4.5</b>
Percentage Change	8.5%	12.3%	0.0%	(15.8%)	0.0%	14.6%

MANAGEMENT AND ADMINISTRATION, INFORMATION TECHNOLOGY, INFORMATION TECHNOLOGY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$4,652,972</b>	<b>\$4,015,612</b>	<b>\$0</b>	<b>\$637,360</b>	<b>\$0</b>	<b>30.9</b>
Request Above/(Below) Recommendation	(\$393,549)	(\$496,880)	\$0	\$103,331	\$0	(4.5)

CORE OPERATIONS

This line item funds the Department’s share of costs for the statewide accounting system (CORE) used by the State Controller to record all state revenues and expenditures.

*STATUTORY AUTHORITY:* Section 24-30-209, C.R.S.

*REQUEST:* The Department requests \$242,246 total funds (including \$121,112 General Fund) for FY 2022-23 based on OSPB’s common policies. The request represents an increase of \$1,524 total funds below the FY 2021-22 appropriation.

*RECOMMENDATION:* The staff recommendation is summarized in the table below and reflects Committee common policy.

MANAGEMENT AND ADMINISTRATION, INFORMATION TECHNOLOGY, CORE OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$240,722	\$120,350	\$93,258	\$27,114	\$0	0.0
<b>TOTAL</b>	<b>\$240,722</b>	<b>\$120,350</b>	<b>\$93,258</b>	<b>\$27,114</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$240,722	\$120,350	\$93,258	\$27,114	\$0	0.0
Centrally appropriated line items	4,744	2,372	1,838	534	0	0.0
<b>TOTAL</b>	<b>\$245,466</b>	<b>\$122,722</b>	<b>\$95,096</b>	<b>\$27,648</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,744</b>	<b>\$2,372</b>	<b>\$1,838</b>	<b>\$534</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$3,220)	(\$1,610)	(\$1,248)	(\$362)	\$0	0.0

INFORMATION TECHNOLOGY ASSET MAINTENANCE

This line item provides funding for the Department to implement an asset management plan to achieve and maintain a standard information technology environment. Money is used to pay for critical hardware and software maintenance contracts, as well as the replacement of equipment (e.g., servers, switches, printers, or personal computers).

*STATUTORY AUTHORITY:* Section 22-2-112, C.R.S.

*REQUEST:* The Department requests \$969,147 General Fund for FY 2022-23, with no change from the FY 2020-21 appropriation.

*RECOMMENDATION:* Staff recommends approving the request.

## DISASTER RECOVERY

This line item provides funding for the equipment, disks, and tapes necessary to implement a disaster recovery plan. The Department uses the funds for: equipment and supplies; offsite tape rotation; and server lease payments.

*STATUTORY AUTHORITY:* Section 22-2-112, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$19,722 General Fund, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends approving the request.

## PAYMENTS TO OIT

This line item, created in FY 2014-15, supports various payments to the Governor's Office of Information Technology (OIT) for services provided to the Department.

*STATUTORY AUTHORITY:* Section 24-27.5-104, C.R.S.

*REQUEST:* The Department requests \$721,495 total funds (including \$437,660 General Fund) based on OSPB's common policies. The request includes the following changes:

- A decrease of \$276,781 total funds (including \$167,897 General Fund) for the statewide common policy adjustment for Payments to OIT.
- An increase of \$6,861 total funds (including \$4,163 General Fund) associated with OIT's non-prioritized budget request package.
- A decrease of \$20,892 total funds (including a decrease of \$12,673 General Fund) associated with a non-prioritized budget amendment identified as being related to CBMS administrative costs.

*RECOMMENDATION:* The staff recommendation for this line item is **pending** the Committee's common policy decision for FY 2022-23. Staff requests permission to adjust all pending line items and apply a fund split once the Committee establishes the relevant common policies.

## (C) ASSESSMENTS AND DATA ANALYSES

*Background Information:* Pursuant to H.B. 93-1313 and subsequent legislation, the Department developed educational model content standards in twelve subject areas and, each year since 1997, has administered student assessments in several subject areas and grades. The costs associated with administering the assessments include initial and ongoing development of the exams, printing and mailing of the exams (for paper versions), teacher training related to exam administration, scoring, and score reporting. The total cost of assessments thus directly relates to the number of subject areas and grade levels assessed each year.

The federal *No Child Left Behind Act*, passed by Congress in December 2001, required Colorado to implement four new assessments: mathematics assessments for third and fourth grade students; a science assessment for third, fourth or fifth grade students (Colorado chose fifth grade); and a science assessment for tenth, eleventh, or twelfth grade students (Colorado originally chose tenth grade but is now administering the exam in grade 11). House Bill 03-1306 [Section 22-7-409 (1) (g), C.R.S.] required the Department to develop and administer these four new assessments if the State received sufficient moneys from the federal government through the *No Child Left Behind Act*.

Senate Bill 08-212 [Section 22-7-1001 et seq., C.R.S.] expanded and connected instructional standards and assessments from preschool into college. The act required Colorado to:

- Establish definitions for school readiness and postsecondary and workforce readiness (PWR).
- Expand and revise P-13 standards to incorporate 21<sup>st</sup> Century skills, reflect PWR, and be internationally competitive.
- Launch a PWR assessments pilot program.
- Adopt new assessments which measure the newly adopted standards.
- Require all school boards to adopt pathways that lead to PWR and create endorsements for high school diplomas.
- Revise higher education admission requirements as necessary to incorporate the use of newly created standards and assessments that reflect college and workforce readiness.

As required by the act, the State Board of Education adopted new academic standards in 2009, conducted a PWR assessments pilot program, and approved the attributes of a new statewide assessment system that would align with the new standards. The adopted standards include the national "Common Core" standards, an effort initiated and managed by the National Governor's Association. However, Colorado's standards also go beyond the Common Core by including: (1) additional content areas beyond English language arts and mathematics; and (2) additional expectations within each content area that is covered by the Common Core.

*Development of Current Suite of Assessments:* The adoption of new standards required the development of new assessments to measure students' knowledge relative to the new standards. Section 22-7-1006 (1) (a), C.R.S., required the State Board to adopt a new systems of assessments "on or before December 15, 2010, or as soon thereafter as fiscally practicable." After an extensive public participation process, the State Board adopted a framework of assessment attributes on December 6, 2010.

Because the Colorado Student Assessment Program (CSAP) was aligned to the former statewide standards and would not be a viable assessment of the new standards, the Department discontinued use of the CSAP (spring 2011 was the final use of the former assessment). The Department used a temporary assessment (Temporary Colorado Assessment Program, or TCAP) for reading, writing, and mathematics in spring 2012, 2013, and 2014 to allow time for: (1) the development of new assessments and (2) local education providers to fully transition to the new standards before being held accountable for teaching the new standards. The TCAP only assessed areas of overlap between the "old" and "new" standards and therefore covered only a subset of both sets of standards.

In order to align the State's system of assessments with the current standards, Colorado moved forward with a new set of assessments, titled the Colorado Measures of Academic Success (CMAS).

- In FY 2013-14, Colorado started administering new state-specific science and social studies assessments. The science assessment replaced the TCAP, and the social studies assessment represents the State's first statewide standardized assessment in social studies.
- In FY 2014-15, Colorado started administering consortium-based assessments for mathematics and English language arts. Pursuant to H.B. 12-1240, Colorado became a governing member of the Partnership for Assessment of Readiness for College and Careers (PARCC) in August 2012. The General Assembly provided additional funds to develop items specific to the Colorado standards in FY 2013-14 and 2014-15. The Department began administering the PARCC assessments, including the items specific to the Colorado standards in spring 2015.
- In 2017, Colorado began a transition away from the PARCC and toward more Colorado-specific assessments, although the developer of the test (Pearson) has remained the same.
- Senate Bill 15-056 (Frequency of Statewide Social Studies Testing) allowed the Department to administer the statewide social studies assessment on a sampling basis.

*Changes for Secondary Students:* House Bill 15-1323 (Changes to Statewide Assessments), enacted during the 2015 Session, made further changes to the statewide assessment system. Specifically, the bill:

- Eliminated the PARCC/CMAS assessments in mathematics and English Language Arts for grades 10 and 11;
- Required the Department to administer a 10th grade college entrance preparation exam (the Department began administering the PSAT in FY 2015-16, which replaced the 10th grade PARCC/CMAS assessments in mathematics and English language arts);
- Required the Department to continue to administer a college entrance exam to students in 11th grade and to administer the writing portion of the exam when requested to do so by students. The Department continued to administer the ACT to 11th graders in FY 2015-16 but has now transitioned to the SAT.

House Bill 17-1181 (Required State Assessment for Ninth-grade Students), enacted in 2017:

- Eliminated the statewide assessments in English language arts and mathematics that were previously administered to ninth grade students and instead required school districts to administer the pre-college entrance exam that is aligned with the pre-college entrance exam administered in tenth grade and the college entrance exam administered in eleventh-grade.

Based on the above decisions:

- Since FY 2017-18 school districts have administered the PSAT in ninth- and tenth grade and the SAT in eleventh grade.
- In addition, H.B. 20-1135 (Replace High School Social Studies Assessment) eliminated the social studies assessment entirely for high school students, beginning in FY 2020-21, although sampled assessments continue at lower grade levels.

*COVID-19 Response:* House Bill 21-1161 allowed for the temporary reduction of assessments in response to the COVID-19 pandemic. The bill specified that, for FY 2020-21, if allowed by federal authorities, the Department could suspend the English Language Arts assessment in grades four, six and eight; suspend the mathematics assessment for grades three, five, and seven; and suspend social science and social studies assessments.

*Testing Regimen for FY 2021-22 and FY 2022-23:*

- Under current law, the usual testing regimen is reinstated beginning in FY 2021-22. The following table shows the planned assessments for FY 2021-22 by grade level based on current law, as well as the current federal requirements under the Every Student Succeeds Act.
- In a recent procurement decision, the Department indicated that it will continue to use the PSAT/SAT suite of tests through FY 2022-23. However, there will be a re-procurement in FY 2023-24 which is expected to result in changes to the appropriation required.

ANTICIPATED FY 2021-22 STATEWIDE ASSESSMENT SCHEDULE		
GRADE	COLORADO MEASURES OF ACADEMIC SUCCESS* (STATE REQUIREMENTS)	EVERY STUDENT SUCCEEDS ACT FEDERAL REQUIREMENTS
3	English language arts, including Spanish language arts math	reading/language arts math
4	English language arts, including Spanish language arts math social studies (sampled once in elementary)	reading/language arts math
5	English language arts math science	reading/language arts math science (in grades 3, 4, or 5)
6	English language arts math	reading/language arts math
7	English language arts math social studies (sampled once in middle school)	reading/language arts math
8	English language arts math science	reading/language arts math science (6, 7, 8, or 9)
9	reading: aligned to CAS and grade 10 math: aligned to CAS and grade 11	
10	reading: aligned to CAS and college entrance math: aligned to CAS and college entrance	
11	College entrance: reading/writing College entrance: math science	reading/language arts (9, 10, 11, or 12) math (9, 10, 11, or 12) science (10, 11, or 12)
K-12	English Language Proficiency	English Language Proficiency

\*The Department also administers alternate assessments for children with the most significant cognitive disabilities who are unable to participate in CMAS/PSAT/SAT, even with accommodations. Alternate assessments are administered in the same grades and subjects as the general state assessments. The Department utilizes federal special education funding (IDEA Part B) to pay for the development and administration of some alternate assessments, including English language arts and math.

STATEWIDE ASSESSMENT PROGRAM

The Committee renamed this line item (from the Colorado Student Assessment Program to the Statewide Assessment Program) in FY 2018-19. The line item provides funding for the staff, operating expenses, and contract expenses associated with the State’s standardized assessments, including mathematics, English language arts, science, social studies, English proficiency, Spanish language arts, the PSAT, and the SAT.

*STATUTORY AUTHORITY:* Section 22-7-1006.3, C.R.S.

*REQUEST:* The Department requests an appropriation of \$31,950,569 total funds (including \$24,672,725 cash funds from the State Education Fund and \$7,277,844 federal funds) and 16.5 FTE for FY 2022-23. The request includes the following changes from the FY 2021-22 appropriation:

- An increase of \$63,300 total funds to annualize FY 2021-22 salary survey.
- An increase of \$9,157 total funds to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends approving the request for \$31,950,569 total funds (including \$24,672,725 cash funds from the State Education Fund and \$7,277,844 federal funds) and 16.5 FTE for FY 2022-23. Below is a detailed discussion of the recommended appropriation for this line item for FY 2022-23, followed by discussions of each major component of the recommendation. Department staff note that this detail represents estimated spending. Small variations in the grand total are typically absorbed in the federal funds portion of the line item.

*Overview of Line Item Recommendation:* The following table provides an overview of the existing FY 2021-22 appropriation and the recommendation for FY 2022-23, based on the Department's projection of how the total requested amount will be used. The sections following the table provide additional detail for each component shown in the overview.

SUMMARY OF FY 2022-23 REQUEST/RECOMMENDATION FOR STATEWIDE ASSESSMENT PROGRAM LINE ITEM				
DESCRIPTION	FY 2021-22 APPROPRIATION	FY 2022-23 REQUEST/RECOMMEND	ANNUAL CHANGE	ANNUAL CHANGE
<b>I. CMAS:</b> Contract for developing, scoring, and reporting CMAS (not including alternate assessments) - math and English	<b>12,477,677</b>	<b>12,477,677</b>	<b>0</b>	0.0%
Cash Funds - State Education Fund	10,776,905	10,591,483	(185,422)	-1.7%
Federal Funds	1,700,772	1,886,194	185,422	10.9%
<b>II. Alternate Math and English Assessments:</b> Contract for developing, scoring, and reporting Colorado alternate assessments	<b>950,000</b>	<b>950,000</b>	<b>0</b>	0.0%
Federal Funds	950,000	950,000	0	0.0%
<b>III. Science and Social Studies:</b> Contract for developing, scoring, and reporting science and social studies assessments	<b>6,094,179</b>	<b>6,294,179</b>	<b>200,000</b>	3.3%
Cash Funds - State Education Fund	5,803,975	5,979,470	175,495	3.0%
Federal Funds	290,204	314,709	24,505	8.4%
<b>IV. Alternate Science and Social Studies:</b> Contract to develop, score, and report Alternate assessments for science and social studies	<b>1,597,719</b>	<b>1,632,130</b>	<b>34,411</b>	2.2%

SUMMARY OF FY 2022-23 REQUEST/RECOMMENDATION FOR STATEWIDE ASSESSMENT PROGRAM LINE ITEM				
DESCRIPTION	FY 2021-22 APPROPRIATION	FY 2022-23 REQUEST/RECOMMEND	ANNUAL CHANGE	ANNUAL CHANGE
Cash Funds - State Education Fund	941,052	979,278	38,226	4.1%
Federal Funds	656,667	652,852	(3,815)	-0.6%
<b>V. English Language Proficiency:</b> Contract for developing, scoring, and reporting the Colorado English language proficiency assessment				
	<b>3,007,210</b>	<b>2,845,760</b>	<b>(161,450)</b>	-5.4%
Cash Funds - State Education Fund	951,354	996,016	44,662	4.7%
Federal Funds	2,055,856	1,849,744	(206,112)	-10.0%
<b>VI. College Entrance Suite:</b> SAT for 11th grade students and PSAT for 9th and 10th grade students - Cash Funds (State Education Fund)				
	<b>3,823,091</b>	<b>4,009,541</b>	186,450	4.9%
<b>VII. Spanish Language Arts:</b>				
	<b>1,803,320</b>	<b>1,543,909</b>	<b>(259,411)</b>	-14.4%
Cash Funds - State Education Fund	1,803,320	1,543,909	(259,411)	-14.4%
Federal Funds	0	0	0	
<b>VIII. Administration:</b> Staff and operating expenses				
	<b>2,124,917</b>	<b>2,197,374</b>	72,457	3.4%
FTE	16.5	16.5	0	0.0%
Cash Funds - State Education Fund	560,530	573,029	12,499	2.2%
Federal Funds	1,564,386	1,624,345	59,959	3.8%
<b>Total</b>	<b>31,878,112</b>	<b>31,950,570</b>	72,458	0.2%
<b>FTE</b>	<b>16.5</b>	<b>16.5</b>	<b>0</b>	<b>0.0%</b>
Cash Funds - State Education Fund	24,660,227	24,672,726	12,499	0.1%
Federal Funds	7,217,885	7,277,844	59,959	0.8%

**I. ENGLISH LANGUAGE ARTS AND MATHEMATICS – CONTRACT FOR DEVELOPMENT, SCORING, AND REPORTING RELATED TO CMAS IN MATHEMATICS AND ENGLISH LANGUAGE ARTS**

The largest component of this line item is a contract to develop, maintain, manufacture, score, and report the assessments in mathematics and English language arts. The costs for FY 2022-23 reflect the Department’s estimates of costs for the CMAS. The following table details the basis for the FY 2021-22 recommendation. The contract shifted from a per-student cost in FY 2017-18 to an itemized cost starting in FY 2018-19. The Department is not expecting any change in the cost of these assessments from FY 2020-21 to FY 2021-22.

MATH AND ENGLISH LANGUAGE ARTS TEST ADMINISTRATION COSTS			
DESCRIPTION	FY 2020-21 APPROPRIATION	FY 2021-22 ESTIMATE	ANNUAL CHANGE
Content Development	\$3,690,224	\$3,690,224	\$0
Ancillary Development	580,426	580,426	0
Program Management	1,303,743	1,303,743	0
Information Technology ( test management, test admin and reporting systems)	1,194,659	1,194,659	0
Psychometrics	786,808	786,808	0
Quality Assurance/Customer Service	190,460	190,460	0
Product_Mg._Dist	925,204	925,204	0
Receiving/Scanning/Editing	380,156	380,156	0
Reporting	746,514	746,514	0
Scoring	2,118,336	2,118,336	0
Travel and Meetings	561,147	561,147	0



MATH AND ENGLISH LANGUAGE ARTS TEST ADMINISTRATION COSTS			
DESCRIPTION	FY 2020-21 APPROPRIATION	FY 2021-22 ESTIMATE	ANNUAL CHANGE
<b>Total Assessments</b>	<b>\$12,477,677</b>	<b>\$12,477,677</b>	<b>\$0</b>
Cash funds - State Education Fund	10,776,905	10,776,905	0
Federal Funds (Assessment & IDEA B)	1,700,772	1,700,772	0

*Recommendation I. English Language Arts and Mathematics:* As detailed in the above table, staff recommends providing \$12,477,677 total funds to cover the costs of mathematics and English language arts administration in FY 2021-22. The recommendation includes \$10,776,905 cash funds from the State Education Fund and \$1,700,772 federal funds.

**II. ALTERNATE ENGLISH LANGUAGE ARTS AND MATHEMATICS – CONTRACT WITH PEARSON TO DEVELOP, SCORE, AND REPORT ALTERNATE ENGLISH LANGUAGE ARTS AND MATHEMATICS ASSESSMENTS FOR STUDENTS WITH COGNITIVE DISABILITIES**

This component supports a contract with Pearson for the administration of alternate English language arts and math assessments. The following table summarizes the current and recommended appropriations for this component.

SUMMARY OF COSTS FOR ALTERNATE ENGLISH LANGUAGE ARTS AND MATH			
DESCRIPTION	FY 2021-22 APPROPRIATION	FY 2022-23 STAFF RECOMMENDATION	ANNUAL CHANGE
Totals Alternate Assessments	\$950,000	\$950,000	\$0
Federal Funds (Assessment & IDEA B)	950,000	950,000	0

*Recommendation II. Alternate English Language Arts and Math:* As shown in the table above, staff recommends reflecting a continuation appropriation of \$950,000 federal funds in FY 2022-23 for the development and administration of alternate English language arts and mathematics assessments for students with significant cognitive disabilities, with no change from the FY 2022-23 appropriation.

**III. SCIENCE AND SOCIAL STUDIES – CONTRACT FOR SCIENCE AND SOCIAL STUDIES ASSESSMENTS**

This component supports a contract for the ongoing development and administration of the Colorado-specific science and social studies assessments. The Department is contracting with Pearson for the administration of these assessments. The following table summarizes current estimates for this component.

SUMMARY OF COSTS ASSOCIATED WITH PEARSON CONTRACT FOR SCIENCE AND SOCIAL STUDIES			
DESCRIPTION	FY 2021-22 APPROPRIATION	FY 2022-23 ESTIMATE	ANNUAL CHANGE
Content Development	\$1,298,371	\$1,448,371	\$150,000
Ancillary Development	679,508	729,508	50,000
Program Management	579,873	579,873	0

SUMMARY OF COSTS ASSOCIATED WITH PEARSON CONTRACT FOR SCIENCE AND SOCIAL STUDIES			
DESCRIPTION	FY 2021-22 APPROPRIATION	FY 2022-23 ESTIMATE	ANNUAL CHANGE
Information Technology (test management, test admin and reporting systems)	1,157,784	1,157,784	0
Psychometrics	239,782	239,782	0
Quality Assurance/Customer Service	102,274	102,274	0
Product_Mg._Dist	118,268	118,268	0
Receiving/Scanning/Editing	83,429	83,429	0
Reporting	383,735	383,735	0
Scoring	1,250,774	1,250,774	0
Travel and Meetings	200,381	200,381	0
<b>Total Assessments</b>	<b>\$6,094,179</b>	<b>\$6,294,179</b>	200,000
Cash funds - State Education Fund (~95%)	\$5,803,975	\$5,979,470	\$175,495
Federal Funds (Assessment & IDEA B)	\$290,204	\$314,709	\$24,505

*Recommendation III. Science and Social Studies:* As detailed in the table above, staff recommends appropriating a total of \$6,294,179 for the ongoing development and administration of science and social studies assessments in FY 2022-23, including \$5,979,470 cash funds from the State Education Fund and \$314,709 federal funds.

**IV. ALTERNATE SCIENCE AND SOCIAL STUDIES – CONTRACT TO DEVELOP, SCORE, AND REPORT ALTERNATE SCIENCE AND SOCIAL STUDIES ASSESSMENTS FOR STUDENTS WITH SIGNIFICANT COGNITIVE DISABILITIES**

This component supports a contract for alternate science and social studies assessments for students with significant cognitive disabilities. The Department is also contracting with Pearson for the alternate assessments. The following table summarizes the current FY 2021-22 appropriation and the staff recommendation for FY 2022-23.

SUMMARY OF COSTS ASSOCIATED WITH PEARSON CONTRACT FOR ALTERNATE SCIENCE AND SOCIAL STUDIES			
DESCRIPTION	FY 2021-22 APPROPRIATION	FY 2022-23 ESTIMATE	ANNUAL CHANGE
Content Development	\$279,700	\$314,112	\$34,412
Ancillary Development	79,251	79,251	0
Program Management	219,576	219,576	0
Information Technology	267,946	267,946	0
Psychometrics	233,745	233,745	0
Quality Assurance/Customer Service	4,213	4,213	0
Product_Mg._Dist	21,513	21,513	0
Receiving/Scanning/Editing	45,773	45,773	0
Reporting	243,257	243,257	0
Travel and Meetings	202,744	202,744	0
<b>Totals Alternate Assessments</b>	<b>\$1,597,719</b>	<b>\$1,632,130</b>	<b>\$34,412</b>
Cash funds - State Education Fund (~60%)	\$941,052	\$979,278	\$38,226
Federal Funds (Assessment & IDEA B)	\$656,667	\$652,852	(\$3,815)

*Recommendation IV. Alternate Science and Social Studies:* As detailed in the table above, staff recommends appropriating a total of \$1,632,130 for the development and administration of alternate science and social studies assessments for students with significant cognitive disabilities in FY 2022-23, including \$979,278 cash funds from the State Education Fund and \$652,852 federal funds.

## V. ENGLISH LANGUAGE PROFICIENCY (ACCESS)

The above contracts with Pearson do not include funding for the Colorado English Proficiency Assessment (ACCESS). Federal law requires Colorado to administer a single, statewide assessment to determine the English language proficiency level of English language learners, including an assessment in the areas of listening, speaking, reading, and writing, and the assessment is to be based on Colorado English language development standards for particular grade configurations. Previously, school districts utilized one of three assessments for this purpose. None of these assessments were aligned with Colorado English language development standards.

The ACCESS program consists of two distinct tests: (1) a screening test used soon after registration to evaluate students whose home language survey indicates that a language other than English is spoken in the home; and (2) an assessment test that is administered in January each year to students identified as “no English proficiency” (NEP), or “limited English proficiency” (LEP) in the body of evidence gathered in the screening process. The assessment test measures proficiency in the domains of listening, speaking, reading, and writing, and it is used to calculate academic growth rates for English language learners statewide.

The following table details the basis for the staff recommendation for FY 2022-23. For the past several years, the State has contracted with the University of Wisconsin to administer the ACCESS assessments. The Department began using a revised version of the assessment in FY 2015-16. The revised version includes both a paper-based form and an on-line form. The following table shows the FY 2021-22 appropriation and the FY 2022-23 recommendation for this component.

SUMMARY OF COSTS ASSOCIATED WITH ENGLISH LANGUAGE PROFICIENCY (ACCESS FOR ELLS)			
DESCRIPTION	FY 2021-22 APPROPRIATION	FY 2022-23 ESTIMATE	ANNUAL CHANGE
Online Price per Student	\$27.75	\$27.75	\$0.00
Paper Price per Student	\$27.75	\$27.75	\$0.00
Alternate Price per Student	\$141.25	\$141.25	\$0.00
Total Population Estimate	<u>105,000</u>	<u>100,000</u>	<u>(5,000)</u>
<i>Online Population Estimate (grades 1-12)</i>	<i>91,300</i>	<i>89,000</i>	<i>(2,300)</i>
<i>Paper Population Estimate (kindergarten)</i>	<i>12,500</i>	<i>10,000</i>	<i>(2,500)</i>
Alternate Population Estimate	<i>1,200</i>	<i>1,000</i>	<i>(200)</i>
Online Cost Estimate	2,533,575	2,469,750	(63,825)
Paper Cost Estimate	346,875	277,500	(69,375)
Alternate Cost Estimate	169,500	141,250	(28,250)
Additional Cost for Students Requiring Braille	2,260	2,260	0
Discount	(\$45,000)	(45,000)	0
<b>Totals</b>	<b>\$3,007,210</b>	<b>\$2,845,760</b>	<b>(\$161,450)</b>
<b>Total</b>	<b>\$3,007,210</b>	<b>\$2,845,760</b>	<b>(\$161,450)</b>

SUMMARY OF COSTS ASSOCIATED WITH ENGLISH LANGUAGE PROFICIENCY (ACCESS FOR ELLS)			
DESCRIPTION	FY 2021-22 APPROPRIATION	FY 2022-23 ESTIMATE	ANNUAL CHANGE
<b>Cash funds - State Education Fund</b>	\$951,354	\$996,016	\$44,662
<b>Federal Funds</b>	\$2,055,856	\$1,849,744	(\$206,112)

*Recommendation V. English Language Proficiency (ACCESS):* As detailed in the table above, staff recommends appropriating \$2,845,760 total funds (including \$996,016 cash funds from the State Education Fund and \$1,849,744 federal funds) to support English language proficiency assessments in FY 2021-22.

**VI. COLLEGE ENTRANCE SUITE – FUNDING FOR ADMINISTRATION OF SPRING 2022 COLLEGE ENTRANCE AND COLLEGE ENTRANCE PREPARATION**

Section 22-7-1006.3 (2), C.R.S., as enacted in H.B. 15-1323, requires the Department of Education to pay for and administer a college entrance examination to all 11<sup>th</sup> grade students that is administered throughout the United States and relied upon by institutions of higher education. The statute also now requires the Department to pay for and administer a college entrance *preparation* exam to all 9<sup>th</sup> and 10<sup>th</sup> graders that is aligned with the college entrance exam to be administered to those students as 11<sup>th</sup> graders. The Department administered the ACT to all 11<sup>th</sup> graders from 2001 (following the passage of S.B. 00-186) through 2016. However, under the requirements enacted in H.B. 15-1323, FY 2015-16 was the Department’s final year administering the ACT, and the Department transitioned to the College Board entrance exam (SAT) and preparation exam (PSAT). Please note that the Department is re-procuring the college entrance exam for FY 2023-24.

The following table details the basis for the existing FY 2021-22 appropriation and staff’s recommendation for FY 2022-23 for the college entrance suite of tests.

SUMMARY OF COSTS ASSOCIATED WITH COLLEGE ENTRANCE SUITE			
DESCRIPTION	FY 2021-22 APPROPRIATION	FY 2022-23 ESTIMATE	ANNUAL CHANGE
<i>College Entrance Test 22-7-1006.3 (2)(b) -- Required</i>			
<i>Estimated # of students</i>	61,314	65,826	4,512
Price per student	\$33.50	\$33.50	\$0.00
Subtotal:	\$2,054,019	\$2,205,171	\$151,152
<i>College Entrance Test 22-7-1006.3 (2)(b) -- Student Request</i>			
Estimated # of Students	12,263	6,583	(5,680)
Price per student	\$9.20	\$9.20	0.00
Subtotal:	\$112,818	\$60,564	(52,254)
<i>10th Grade Test -- 22-7-1006.3(2)(a.5)*</i>			
<i>Estimated # of students</i>	62,847	68,470	5,623
Price per student	\$12.00	\$12.00	\$0
Subtotal:	\$754,164	\$821,640	\$67,476
<i>9th Grade Test -- 22-7-1006.3(2)(a)*</i>			

SUMMARY OF COSTS ASSOCIATED WITH COLLEGE ENTRANCE SUITE			
DESCRIPTION	FY 2021-22 APPROPRIATION	FY 2022-23 ESTIMATE	ANNUAL CHANGE
<i>Estimated # of students</i>	64,435	65,869	1,434
Price per student	\$14.00	\$14.00	\$0
Subtotal:	\$902,090	\$922,166	\$20,076
<b>TOTAL (Cash Funds - State Education Fund)</b>	<b>\$3,823,091</b>	<b>\$4,009,541</b>	<b>\$186,450</b>

*Recommendation VI. College Entrance Suite:* As detailed in the table above, the staff recommends appropriating \$4,009,541 cash funds from the State Education Fund for the college entrance suite contract for FY 2022-23.

**VII. SPANISH LANGUAGE ARTS – SUPPORT ADMINISTRATION OF A SPANISH LANGUAGE ARTS ASSESSMENT ALIGNED TO THE CURRENT STATEWIDE STANDARDS**

This component supports the development and administration of Spanish literacy assessments. Section 22-7-1006.3 (4)(b), C.R.S., requires the Department to administer Spanish literacy assessments to eligible third and fourth graders.<sup>5</sup> For eligible students, the Spanish reading and writing assessments substitute for the CMAS English language arts assessments. The following table shows the FY 2021-22 appropriation and FY 2022-23 staff recommendation for this component.

SUMMARY OF COSTS ASSOCIATED WITH SPANISH LANGUAGE ARTS (READING AND WRITING)			
	FY 2021-22 APPROPRIATION	FY 2022-23 ESTIMATE	ANNUAL CHANGE
Administration of Assessment - CF - State Education Fund	\$1,803,320	\$1,543,909	(\$259,411)

*Recommendation VII. Spanish Language Arts:* As detailed in the table above, staff recommends appropriating \$1,543,909 cash funds from the State Education Fund for Spanish language arts assessments in FY 2022-23.

**VIII. ADMINISTRATION – SUPPORT FOR STATE STAFF THAT ADMINISTER ASSESSMENTS**

The following table displays the personal services and operating expenses components of the Department’s administration of the statewide assessment program, including the FY 2021-22 appropriation and the FY 2022-23 staff recommendation. The amounts for FY 2022-23 include annualization of FY 2021-22 salary survey and S.B. 18-200(Modifications to PERA to Eliminate Unfunded Liability).

<sup>5</sup> According to the Department, eligible students: (1) must be in grade 3 or 4; (2) must have had instruction in an English language proficiency program three years or less; and must have had instruction and assessments in their native language in reading and writing in the current or previous school year. In FY 2018-19, 2,910 students took these assessments, including 1,734 in grade 3 and 1,176 in grade 4.

SUMMARY OF COSTS ADMINISTRATION PORTION OF STATE ASSESSMENT LINE ITEM			
DESCRIPTION	FY 2021-22 APPROP.	FY 2022-23 ESTIMATE	ANNUAL CHANGE
<b>Subtotal Personal Services</b>	<b>\$2,036,769</b>	<b>\$2,109,226</b>	<b>\$72,457</b>
FTE - Total	16.5	16.5	0
Cash funds - State Education Fund	518,451	530,949	12,498
Federal Funds	1,518,318	1,578,277	59,959
<b>Subtotal: Operating Expenses</b>	<b>\$88,148</b>	<b>\$88,148</b>	<b>\$0</b>
Cash funds - State Education Fund	42,080	42,080	0
Federal Funds	46,068	46,068	0
<b>Total Administration Costs</b>	<b>\$2,124,917</b>	<b>\$2,197,374</b>	<b>\$72,457</b>
<b>FTE</b>	<b>16.5</b>	<b>16.5</b>	<b>0.0</b>
Cash funds - State Education Fund	560,531	573,029	12,498
Federal Funds	1,564,386	1,624,345	59,959

SUMMARY OF COSTS ADMINISTRATION PORTION OF STATE ASSESSMENT LINE ITEM			
DESCRIPTION	FY 2020-21 APPROP.	FY 2021-22 ESTIMATE	ANNUAL CHANGE
<b>Subtotal Personal Services</b>	<b>\$2,086,766</b>	<b>\$2,036,783</b>	<b>(\$49,983)</b>
FTE	17.5	16.5	\$0
Cash funds - State Education Fund	568,448	518,451	(\$49,997)
Federal Funds	1,518,318	1,518,332	\$14
<b>Subtotal: Operating Expenses</b>	<b>\$88,148</b>	<b>\$88,148</b>	<b>(\$0)</b>
Cash funds - State Education Fund	42,080	42,080	0
Federal Funds	46,068	46,068	(0)
<b>Total Administration Costs</b>	<b>\$2,174,914</b>	<b>\$2,124,931</b>	<b>(\$49,983)</b>
<b>FTE</b>	<b>17.5</b>	<b>16.5</b>	<b>0.0</b>
Cash funds - State Education Fund	610,528	560,531	(49,997)
Federal Funds	1,564,386	1,564,400	14

*Recommendation VIII. Administration:* As detailed in the table above, staff recommends appropriating \$2,197,374 total funds and 16.5 FTE for expenditures related to staff who administer the statewide assessment program in FY 2022-23.

## LONGITUDINAL ANALYSES OF STUDENT ASSESSMENT RESULTS

This line item provides funding and staff for longitudinal analyses of student assessment results, including the assignment of individual student identifiers for all students in public schools, including preschool children participating in the Colorado Preschool Program and disabled preschool children receiving special education services. The General Assembly has provided General Fund to support 4.1 FTE within this line item for ongoing work associated with the longitudinal data system. In addition, the Department received a federal grant to improve state longitudinal data systems in FY 2010-11, and used those funds through FY 2013-14. The Department used the federal grant to replace the state’s data collection system, link student data from prekindergarten to the workforce, and provide additional enhancements to the state’s data systems. In FY 2014-15, H.B. 14-1298 (School Finance) appropriated \$298,000 cash funds from the State Education Fund to support the creation and assignment of unique student identifiers for children receiving state- or federally- subsidized early

childhood education services. The General Assembly has continued that amount each year since then, including FY 2020-21.

*STATUTORY AUTHORITY:* Section 22-2-134, C.R.S.

*REQUEST:* The Department requests an appropriation of \$1,254,979 total funds (including \$956,979 General Fund and \$298,000 cash funds from the State Education Fund) and 5.9 FTE for FY 2022-23. The request includes the following changes.

- An increase of \$482,133 General Fund and 1.8 FTE for R7 Empowering Parents with School Information
- An increase of \$1,334 General Fund to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- An increase of \$9,787 General Fund to annualize prior year salary survey.

*RECOMMENDATION:* The staff recommendation is summarized in the table below. It reflects the recommendation for R7, discussed previously in this packet. Other adjustments match the request and are consistent with Committee common policy.

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, LONGITUDINAL ANALYSES OF STUDENT ASSESSMENT RESULTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$761,725	\$463,725	\$298,000	\$0	\$0	4.1
<b>TOTAL</b>	<b>\$761,725</b>	<b>\$463,725</b>	<b>\$298,000</b>	<b>\$0</b>	<b>\$0</b>	<b>4.1</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$761,725	\$463,725	\$298,000	\$0	\$0	4.1
R7 Empowering parents with information	467,374	467,374	0	0	0	1.8
Annualize prior year budget actions	9,787	9,787	0	0	0	0.0
Annualize prior year legislation	1,334	1,334	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,240,220</b>	<b>\$942,220</b>	<b>\$298,000</b>	<b>\$0</b>	<b>\$0</b>	<b>5.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$478,495</b>	<b>\$478,495</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.8</b>
Percentage Change	62.8%	103.2%	0.0%	0.0%	0.0%	43.9%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$1,254,979</b>	<b>\$956,979</b>	<b>\$298,000</b>	<b>\$0</b>	<b>\$0</b>	<b>5.9</b>
Request Above/(Below) Recommendation	\$14,759	\$14,759	\$0	\$0	\$0	0.0

## BASIC SKILLS PLACEMENT OR ASSESSMENT TESTS

With the enactment of H.B. 12-1345, the General Assembly established a program to reimburse school districts for costs incurred in administering basic skills placement or assessment tests. The bill authorized school districts to administer the tests as frequently as desired during high school but specifies that the state will only reimburse school districts for one administration per student. The bill provided \$1.0 million cash funds from the State Education Fund in FY 2012-13 for such reimbursements. The General Assembly created this line item in the FY 2013-14 Long Bill to continue to provide funding for the program but reduced the amount of funding to \$320,917 in FY 2013-14

based on actual use of the program. The General Assembly further reduced the appropriation to \$50,000 for FY 2015-16 based on the lack of use of the program (there were no expenditures in FY 2014-15 or FY 2015-16). The Department reimbursed \$13,736 in expenses for FY 2016-17 but did not make any reimbursements in FY 2017-18, FY 2018-19, or FY 2019-20. During the FY 2021-22 budget cycle the Department proposed eliminating the line item; however, this requires a statutory change, and no related legislation was adopted during the 2021 legislative session.

*STATUTORY AUTHORITY:* Section 22-32-109.5, C.R.S.

*REQUEST:* The Department requested a continuation amount of \$50,000 cash funds from the State Education Fund for FY 2022-23.

*RECOMMENDATION:* In light of ongoing statutory requirements, staff recommends the request for an appropriation of \$50,000 cash funds. Any unused amount will revert to the State Education Fund.

### PRESCHOOL TO POSTSECONDARY EDUCATION ALIGNMENT

Senate Bill 08-212 (Colorado Achievement Plan for Kids or "CAP4K") required the State Board of Education, assisted by the Colorado Commission on Higher Education (CCHÉ), to develop standards and assessments for children progressing through the public education system [Sections 22-7-1001 through 1019, C.R.S.]. This line item provides funding for the personal services and operating expenses associated with the ongoing implementation of this bill.

*STATUTORY AUTHORITY:* Section 22-7-1001, C.R.S.

*REQUEST:* The Department requests an appropriation of \$678,764 total funds (including \$37,309 General Fund and \$641,455 cash funds from the State Education Fund) and 4.0 FTE for FY 2022-23. The request includes the following changes.

- An increase of increase of \$1,663 cash funds from the State Education Fund to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- An increase of \$14,339 cash funds from the State Education Fund to annualize prior year salary survey.

*RECOMMENDATION:* Staff recommends the request for \$678,764 total funds (including \$37,309 General Fund and \$641,455 cash funds from the State Education Fund) and 4.0 FTE for FY 2022-23. The calculation in the request is consistent with Committee common policy.

### EDUCATOR EFFECTIVENESS UNIT ADMINISTRATION

The General Assembly created this line item in FY 2012-13 to support the ongoing costs of the Educator Effectiveness Unit charged with implementation of S.B. 10-191 (Principal and Teacher Effectiveness). Senate Bill 21-185 (Supporting Educator Workforce in Colorado) provided an increase of \$1,087,310 General Fund and 3.8 FTE in FY 2021-22.

*STATUTORY AUTHORITY:* Section 22-9-104, C.R.S.



*REQUEST:* The Department requests an appropriation of \$3,242,831 total funds (including \$3,113,434 General Fund and \$129,397 cash funds from the State Education Fund) and 17.8 FTE for FY 2022-23. The request includes the following changes.

- An increase of \$113,542 General Fund and 1.5 FTE for the second-year impact of S.B. 21-185.
- A decrease of \$20,115 General Fund and 0.3 FTE for the second year impact of H.B. 21-1010 (Diverse K-12 Educator Workforce Report).
- An increase of \$38,108 total funds (including \$33,486 General Fund) to annualize prior year salary survey.
- An increase of \$5,102 total funds to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* The staff recommendation is summarized in the table below. The difference between the request and recommendation is that staff has included an additional \$29,258 General Fund and 0.4 FTE for the second year impact of S.B. 21-185, for a total annualization impact of \$142,800 and 1.9 FTE for this bill. As requested, the \$29,258 would have been in a separate line item. The staff recommendation instead consolidates this amount here.

With this change, this line item now includes a total of \$1,230,110 General Fund and 5.7 FTE for the administration of programs created or reauthorized in S.B. 21-185, including the Quality Teacher Recruitment Program, the Educator Recruitment and Retention program, and the Teacher Recruitment and Educator Preparation Program (TREP). Consistent with the fiscal note for the bill, this includes: \$532,415 for personal services, \$7,695 for operating expenses, \$115,000 for operating and travel costs, and \$575,000 for educator recruitment and retention expenses.

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, EDUCATOR EFFECTIVENESS						
UNIT ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$3,106,194	\$2,981,955	\$124,239	\$0	\$0	16.6
<b>TOTAL</b>	<b>\$3,106,194</b>	<b>\$2,981,955</b>	<b>\$124,239</b>	<b>\$0</b>	<b>\$0</b>	<b>16.6</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$3,106,194	\$2,981,955	\$124,239	\$0	\$0	16.6
Annualize prior year budget actions	180,908	176,286	4,622	0	0	1.9
Annualize prior year legislation	(15,013)	(15,549)	536	0	0	(0.3)
<b>TOTAL</b>	<b>\$3,272,089</b>	<b>\$3,142,692</b>	<b>\$129,397</b>	<b>\$0</b>	<b>\$0</b>	<b>18.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$165,895</b>	<b>\$160,737</b>	<b>\$5,158</b>	<b>\$0</b>	<b>\$0</b>	<b>1.6</b>
Percentage Change	5.3%	5.4%	4.2%	0.0%	0.0%	9.6%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$29,258)	(\$29,258)	\$0	\$0	\$0	(0.4)

## ACCOUNTABILITY AND IMPROVEMENT PLANNING

The General Assembly created this line item in FY 2013-14 to support accountability and improvement planning efforts associated with the implementation of S.B. 09-163. The line item supports training, technical assistance, and data analysis provided to districts and schools, especially

low-performing districts and schools. The line item also supports an independent State Review Panel to review struggling schools’ and districts’ improvement plans and advise the State Board of Education regarding consequences for those districts and schools under the accountability clock created by S.B. 09-163.

*STATUTORY AUTHORITY:* Section 22-11-201, C.R.S.

*REQUEST:* The Department requests \$1,801,768 total funds (including \$1,251,436 General Fund) for FY 2022-23. The request includes the following changes.

- An increase of \$15,059 General Fund to annualize prior year salary survey.
- An increase of increase of \$2,053 General Fund to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* The staff recommendation is summarized in the table below. It matches the request and is consistent with Committee common policy.

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, ACCOUNTABILITY AND IMPROVEMENT PLANNING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,784,656	\$1,234,324	\$0	\$0	\$550,332	11.4
<b>TOTAL</b>	<b>\$1,784,656</b>	<b>\$1,234,324</b>	<b>\$0</b>	<b>\$0</b>	<b>\$550,332</b>	<b>11.4</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,784,656	\$1,234,324	\$0	\$0	\$550,332	11.4
Annualize prior year budget actions	15,059	15,059	0	0	0	0.0
Annualize prior year legislation	2,053	2,053	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,801,768</b>	<b>\$1,251,436</b>	<b>\$0</b>	<b>\$0</b>	<b>\$550,332</b>	<b>11.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$17,112</b>	<b>\$17,112</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.0%	1.4%	n/a	n/a	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$1,801,768</b>	<b>\$1,251,436</b>	<b>\$0</b>	<b>\$0</b>	<b>\$550,332</b>	<b>11.4</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**(D) STATE CHARTER SCHOOL INSTITUTE**

*Background Information:* This subsection includes funding for the State Charter School Institute (CSI), which is as an independent agency in the Department of Education. The CSI is allowed to authorize charter schools located within a school district's boundaries if the school district has not retained exclusive authority to authorize charter schools or if the school district allows the charter school applicant to seek CSI authorization. A nine-member board governs the CSI with a statutory mission to "foster high-quality public school choices offered through institute charter schools, including particularly schools that are focused on closing the achievement gap for at-risk students". Statute authorizes the board to hire staff or contract employees. Any CSI staff shall be deemed employees subject to the state personnel system, except that all positions classified by the board as professional officers and professional staff "are declared to be educational in nature and exempt from the state personnel system". [Section 22-30.5-505 (1), C.R.S.]

Similar to a school district, the SCSI is authorized to use a portion of its charter schools' per pupil revenues to cover its expenditures related to authorizing and overseeing charter schools. Thus, statute directs the Department to withhold a portion of the State Share of Districts' Total Program funding from each school district where an Institute charter school is located and to forward the withheld amount to the Institute. Currently, a total of 4.0 percent may be withheld from payments to Institute charter schools and spent at the state level for the following purposes:

- Up to 3.0 percent for the CSI's costs for administration, oversight, and management services [Sections 22-30.5-513 (2) (b) and (4)(a), C.R.S.]; and
- Up to 1.0 percent for the Department as reimbursement for the reasonable and necessary costs associated with the CSI and its charter schools [Section 22-30.5-501 (4)(a)(I), C.R.S.].

Section 22-30.5-506, C.R.S., as amended by S.B. 12-121 during the 2012 Session, continuously appropriates the State Charter School Institute Fund, which is the Institute's primary fund source, to the Institute. Prior to FY 2012-13, the Institute's funds were subject to annual appropriation in the Long Bill. However, of the Institute's line items in the current Long Bill, three are now continuously appropriated and are shown for informational purposes only. Three of the existing line items are subject to annual appropriation: Institute Charter School Assistance Fund, Department Implementation of Section 22-30.5-501 et seq., C.R.S., and CSI Mill Levy Equalization (created in FY 2018-19).

There are currently 43 Institute charter schools, located in 16 different school districts and serving more than 20,000 students (19,500 funded pupils). The CSI is currently estimating a total pupil count of 20,617.5 funded pupils in FY 2022-23. For the five year period from FY 2015-16 to FY 2020-21, CSI enrollment increased at a compound average annual rate of growth of 6.6 percent, while the compound average annual growth rate for the state enrollment as a whole was (0.4%) percent. This included an increase of 13.5 percent for CSI enrollment in FY 2020-21, and a decrease of 3.3 percent for the State as a whole in the same year.

#### STATE CHARTER SCHOOL INSTITUTE ADMINISTRATION, OVERSIGHT, AND MANAGEMENT

This line item reflects the SCSI's expenditure of a portion of Institute charter schools' per pupil funding. Section 22-30.5-513 (2)(b) authorizes the SCSI to withhold up to 3.0 percent of Institute charter schools' per pupil funding for administrative overhead costs for services provided to Institute charter schools. Section 22-30.5-506 (1), C.R.S., enacted through S.B. 12-121, continuously appropriates these funds to the SCSI.

*STATUTORY AUTHORITY:* Section 22-30.5-501 et seq., C.R.S. and Section 22-30.5-513, C.R.S.

*REQUEST:* The Department requests an appropriation of \$3,500,000 reappropriated funds and 11.7 FTE for FY 2022-23, with no change from the 2021-22 appropriation. The funds are continuously appropriated to the Department and are shown in the Long bill for informational purposes only.

*RECOMMENDATION:* Staff recommends increasing the amount shown in this line item to \$5,000,000 reappropriated funds to more closely reflect the level of expenditure from this line item in recent years.

## INSTITUTE CHARTER SCHOOL ASSISTANCE FUND

Sections 22-30.5-506 (4) and 22-30.5-515.5, C.R.S., transfer excess revenues retained by the Charter School Institute (over and above amounts necessary for the Institute’s overhead administration costs) to the Institute Charter School Assistance Fund. Once in the Institute Charter School Assistance Fund, the moneys are subject to annual appropriation and are available for the following purposes:

- Awarding grants and interest-free loans to assist Institute charter schools in meeting capital construction needs, including obtaining financial assistance through the Building Excellent Schools Today (B.E.S.T.) program or repaying bonds issued by the Colorado Educational and Cultural Facilities Authority for construction of buildings; or
- Addressing “reasonable funding emergencies,” as defined by rule of the Institute Board.

As noted above, this is one of the three Institute line items that remain subject to annual appropriation. However, Section 22-30.5-515.5 (1)(c), C.R.S., limits the year-end balance of the fund to no more than \$750,000 at the end of any given year or, pursuant to 22-30.5-515 (d), another limit established by the institute board in collaboration with a council of institute charter schools. The statute requires the SCSI to distribute any amount above the cap in the fund at the end of the year to all SCSI schools on an equal per pupil basis and continuously appropriates the excess balance to the SCSI. Thus, while the appropriation has been fixed for multiple years at \$460,000 from the fund, the SCSI spent \$1,689,636 from the fund in FY 2019-20 and \$1,822,873 in FY 2020-21 to remain under the limit at the end of the fiscal year.

*STATUTORY AUTHORITY:* Section 22-30.5-515.5, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$460,000 cash funds from the Institute Charter School Assistance Fund, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends increasing the amount in this line item to \$1,800,000 cash funds based on the last two years actual experience.

## OTHER TRANSFERS TO INSTITUTE CHARTER SCHOOLS

This line item reflects anticipated transfers of other state moneys (e.g., state funding for categorical programs) to Institute charter schools. Prior to FY 2012-13, the line item was subject to annual appropriation. However, pursuant to S.B. 12-121, current law continuously appropriates the funds to the SCSI.

*STATUTORY AUTHORITY:* Section 22-30.5-513 (9) (a), C.R.S.

*REQUEST:* The Department requests an informational appropriation of \$9,000,000 reappropriated funds for FY 2022-23, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends increasing the amount to \$21,500,000 reappropriated funds to more closely align with expenditures.

## TRANSFER OF FEDERAL MONEY TO INSTITUTE CHARTER SCHOOLS

This line item reflects federal funds received by the SCSI for pass-through to Institute charter schools, along with the SCSI FTE supported with federal funds. Moneys appropriated to this line item are reflected as reappropriated funds because they are first reflected within other line items within the Department's budget (e.g., Special Education Programs for Children with Disabilities, English Language Proficiency Program, Federal Nutrition Programs, and Appropriated Sponsored Programs). The request reflects the SCSI's anticipated expenditures under the continuous appropriation provided by S.B. 12-121.

*STATUTORY AUTHORITY:* Section 22-30.5-501 et seq., C.R.S. and Section 22-30.5-513, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$7,600,000 reappropriated funds and 4.5 FTE, with no change from the FY 2020-21 appropriation.

*RECOMMENDATION:* Staff recommends increasing the amount to \$17,400,000 reappropriated funds to more closely align with expenditures.

## DEPARTMENT IMPLEMENTATION OF SECTION 22-30.5-501 ET SEQ., C.R.S.

This line item authorizes the Department to spend a portion of SCSI charter schools' per pupil funding. Pursuant to Section 22-30.5-513 (4) (a) (I), C.R.S., the Department is authorized to withhold up to 1.0 percent of SCSI charter schools' per pupil funding as reimbursement for the "reasonable and necessary costs to the department to implement" [Part 5 of Title 22, Article 30.5, C.R.S.].

*STATUTORY AUTHORITY:* Section 22-30.5-513 (4)(a)(I), C.R.S.

*REQUEST:* The Department requests an appropriation of \$242,508 reappropriated funds and 1.6 FTE, including an increase of \$2,514 to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends approving the requested amount of \$242,508 reappropriated funds and 1.6 FTE for FY 2022-23, consistent with the Committee's common policy. The (non-SCSI) Department staff incur costs associated with SCSI activities, and this line item is the mechanism to cover at least a portion of the necessary costs.

## CSI MILL LEVY EQUALIZATION

The General Assembly created this line item in FY 2018-19 to support mill levy override equalization payments to SCSI schools authorized by H.B. 17-1375 (Distributing Mill Levy Override Revenue to Schools). Under H.B. 17-1375, the Department distributes any funds appropriated to this line item to SCSI schools on a per pupil basis based on the amount of mill levy override revenue available per pupil in each school's geographic school district. Thus, SCSI schools located in school districts without mill levy override revenues are not eligible for distribution and payments are limited to no more than override revenues per pupil in a school's geographic school district.

*STATUTORY AUTHORITY:* Section 22-30.5-513.1 (2)(b), C.R.S.

*REQUEST:* The Department requests an appropriation of \$19,000,000 General Fund to be appropriated into the Mill Levy Equalization Fund and \$19,000,000 reappropriated funds to appropriate that amount out of the cash fund for distribution to SCSi schools). This includes an increase of \$10,000,000 for Department Request R5 (CSI Mill Levy Equalization).

*RECOMMENDATION:* As discussed previously in this packet, Staff recommends denying Department Request R5 (CSI Mill Levy Equalization). However, as also previously discussed, the staff recommendation includes providing spending authority for interest earned on the CSI Mill Levy Equalization Account, as reflected in the table below.

MANAGEMENT AND ADMINISTRATION, STATE CHARTER SCHOOL INSTITUTE, CSI MILL LEVY EQUALIZATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$18,000,000	\$9,000,000	\$0	\$9,000,000	\$0	0.0
<b>TOTAL</b>	<b>\$18,000,000</b>	<b>\$9,000,000</b>	<b>\$0</b>	<b>\$9,000,000</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$18,000,000	\$9,000,000	\$0	\$9,000,000	\$0	0.0
SI Cash funds spending authority for CSI interest earnings	209,923	0	209,923	0	0	0.0
R5 CSI mill levy equalization	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$18,209,923</b>	<b>\$9,000,000</b>	<b>\$209,923</b>	<b>\$9,000,000</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$209,923</b>	<b>\$0</b>	<b>\$209,923</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$19,790,077	\$10,000,000	(\$209,923)	\$10,000,000	\$0	0.0

## (E) INDIRECT COST ASSESSMENT

### INDIRECT COST ASSESSMENT

Pursuant to the Committee's common policy to improve the transparency of the treatment of indirect costs, the FY 2013-14 Long Bill included a new subdivision and line item to reflect indirect cost assessments from the various subdivisions and line items in the Management and Administration division. The Department uses the funds collected to offset General Fund that would otherwise be required in the Management Administration division for the General Department and Program Administration line item and a variety of centrally appropriated line items.

*STATUTORY AUTHORITY:* Sections 24-31-101 and 102, C.R.S.

*REQUEST:* The Department requests \$844,579 total funds (including \$475,814 cash funds and \$368,865 federal funds) for FY 2022-23. The request represents a decrease of \$16,646 total funds

above the FY 2021-22 appropriation based on the Department’s projections of indirect cost assessments for FY 2022-23.

*RECOMMENDATION:* Based on updated information provided by the Department, staff recommends approving the adjustment reflected in the table below.

MANAGEMENT AND ADMINISTRATION, INDIRECT COST ASSESSMENT, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$861,325	\$0	\$495,877	\$0	\$365,448	0.0
<b>TOTAL</b>	<b>\$861,325</b>	<b>\$0</b>	<b>\$495,877</b>	<b>\$0</b>	<b>\$365,448</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$861,325	\$0	\$495,877	\$0	\$365,448	0.0
Indirect cost assessment	(116,646)	0	(120,063)	0	3,417	0.0
<b>TOTAL</b>	<b>\$744,679</b>	<b>\$0</b>	<b>\$375,814</b>	<b>\$0</b>	<b>\$368,865</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$116,646)</b>	<b>\$0</b>	<b>(\$120,063)</b>	<b>\$0</b>	<b>\$3,417</b>	<b>0.0</b>
Percentage Change	(13.5%)	0.0%	(24.2%)	0.0%	0.9%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$100,000	\$0	\$100,000	\$0	\$0	0.0

**(2) ASSISTANCE TO PUBLIC SCHOOLS**

This section provides funding that is distributed to public schools and school districts, as well as funding for Department staff who administer this funding or who provide direct support to schools and school districts. The following table summarizes staff's recommendation for the Assistance to Public Schools division.

*Only the highlighted items are addressed in this packet. The Committee reviewed recommendations for School Finance (R1 and R2) during the staff presentation on February 14, 2022.*

ASSISTANCE TO PUBLIC SCHOOLS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 Appropriation</b>						
FY 2021-22 Appropriation	\$6,327,501,825	\$4,243,069,846	\$1,483,163,111	\$8,290,845	\$592,978,023	229.9
HB22-1186 (Mid-year school finance)	(48,131,989)	0	(48,131,989)	0	0	0.0
<b>TOTAL</b>	<b>\$6,279,369,836</b>	<b>\$4,243,069,846</b>	<b>\$1,435,031,122</b>	<b>\$8,290,845</b>	<b>\$592,978,023</b>	<b>229.9</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$6,279,369,836	\$4,243,069,846	\$1,435,031,122	\$8,290,845	\$592,978,023	229.9
R1/BA1 State share of total program increase with mid-year adjustment	169,388,963	169,388,963	0	0	0	0.0
R2 Categorical programs increase	12,647,700	0	12,647,700	0	0	0.0
R4 Departmental infrastructure	75,512	0	75,512	0	0	1.0
R6 Expanding resources for school improvement	1,000,000	1,000,000	0	0	0	0.0
Nonprioritized requests	(651,922)	0	0	(651,922)	0	(6.0)
SI Informational funds adjustment	426,237,026	0	0	0	426,237,026	0.0
SI Charter school capital construction assistance	10,392,356	0	10,392,356	0	0	0.0
SI School nutrition program adjustment	250,000	250,000	0	0	0	0.0
SI Indirect cost assessment	241,947	0	0	0	241,947	0.0
SI Restore BEST property assessment funds	15,000	0	15,000	0	0	0.0
SI Move early literacy funds from training to grants line item	0	0	0	0	0	0.0
Annualize prior year legislation	(109,293,975)	(7,497,822)	(94,989,362)	(6,885,109)	78,318	(1.6)
SI facility schools adjustment	(5,134,050)	0	(5,134,050)	0	0	0.0
SI Eliminate unused spending authority	(253,111)	0	(253,111)	0	0	0.0
Annualize prior year budget actions	732,047	71,571	124,103	17,091	519,282	0.0
<b>TOTAL</b>	<b>\$6,785,017,329</b>	<b>\$4,406,282,558</b>	<b>\$1,357,909,270</b>	<b>\$770,905</b>	<b>\$1,020,054,596</b>	<b>223.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$505,647,493</b>	<b>\$163,212,712</b>	<b>(\$77,121,852)</b>	<b>(\$7,519,940)</b>	<b>\$427,076,573</b>	<b>(6.6)</b>
Percentage Change	8.1%	3.8%	(5.4%)	(90.7%)	72.0%	(2.9%)
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$6,434,167,954</b>	<b>\$4,239,721,904</b>	<b>\$1,600,067,575</b>	<b>\$770,905</b>	<b>\$593,607,570</b>	<b>223.8</b>
Request Above/(Below) Recommendation	(\$350,849,375)	(\$166,560,654)	\$242,158,305	\$0	(\$426,447,026)	0.5



## DECISION ITEMS - ASSISTANCE TO PUBLIC SCHOOLS

## → R6 EXPANDING RESOURCES FOR IMPROVING SCHOOLS

*REQUEST:* The request includes \$2,000,000 General Fund to expand access to existing and new evidence-based supports for schools identified as underperforming under the Colorado state accountability system. The increase is projected to serve an additional 38 schools every year, beyond the 21 state-identified schools and 9 districts with state-identified schools last year. Each year, the Department is unable to provide high-quality, intensive support to all schools identified by the state accountability system due to limited resources. In 2019-20, 100 schools were identified using the state accountability criteria (as opposed to the parallel, but different, federal criteria), and schools identified through the state system may only be served using state resources. The increase will allow more schools and school districts to participate in the program, with the goal of improving student outcomes.

The Governor's Office did not include an "evidence meter" in its request for this program. Staff believes this program could potentially fit within the S.B. 21-284 structure for identifying evidence-based programs. However, based on initial program evaluations, staff would classify the program as "theory informed" based on the S.B. 21-284 definitions.

*RECOMMENDATION:* Staff recommends a \$1,000,000 General Fund increase for FY 2022-23. The request for a \$2.0 million increase would increase the appropriation for the School Transformation Grant Program created in Section 22-13-101 through 105, C.R.S., from \$4,435,996 from the General Fund and State Education Fund in FY 2021-22 by over 45.0 percent. This seems too large an increase to staff, given: (1) the very limited evidence that the program has had positive impacts; (2) great uncertainty about how the state school accountability system, to which this grant program is closely tied, will operate in FY 2022-23; and (3) the availability of state ESSER funds which are being used to support struggling schools and which must be spent by the end of FY 2023-24. Staff is nonetheless recommending some increase for the program, given the likelihood that more schools will qualify for the program in FY 2022-23, the Department's interest in being able to assist schools quickly, and staff's appreciation for the Department's commitment to evaluating and continuing to seek program improvements.

*ANALYSIS:**Background - School Transformation Grant Program*

The General Assembly began funding grants for school transformation in FY 2014-15, when it authorized \$2.0 million cash funds from the State Education Fund to support the School Turnaround Leaders Development Program. The program requires the Department to contract with providers of high-quality turnaround leadership development programs and to award grants to school districts and charter schools throughout the State that are in Turnaround or Priority Improvement status under the statewide accountability system. As the program has been modified over time, most recently in H.B. 18-1355, program grants support identifying and recruiting school turnaround leaders, providing professional development for educators in schools that are implementing priority improvement, and planning for and implementing rigorous school redesign strategies. Qualifying schools, school districts, and charter schools are eligible to participate and receive grants for up to three years. Based on the changes in H.B. 18-1355, the General Assembly renamed the line item the "School

Transformation Grant Program” in the FY 2019-20 Long Bill. In addition, the General Assembly approved an increase of \$2,314,027 General Fund and 1.8 FTE for FY 2019-20 to expand services available under the program. An additional increase of \$1,000,000 was initially authorized for FY 2020-21, but then removed as a budget balancing action.

*Background - School Accountability Systems*

The School Transformation Grant Program is one component of the State's broader school accountability system. Colorado currently operates under two different accountability systems: the state system established under the S.B. 09-163 (Education Accountability System), as amended in H.B. 18-1355 and H.B. 21-1161, and the federal system, established under the Every Student Succeeds Act (ESSA) of 2015. Schools may be identified as failing to meet standards and requiring additional support under either or both of the systems. In academic year 2019-20, out of over 3,100 schools in Colorado, 100 schools were identified using only the state accountability criteria, 192 schools qualified under federal accountability criteria, and 79 schools qualified under both.

Under the State system, the Department evaluates the performance of schools and school districts relative to state expectations for academic performance. Schools are assigned one of four ratings. Schools identified in the two bottom categories--*priority improvement* or *turnaround*--are eligible for state funding supports (the School Transformation Grant Program) and are subject to sanctions if they are not successful in improving their results over time. If a school remains in this status for five years, the State Board of Education is required to take one of four actions: closure, become a charter, pursue external management, or pursue a school of innovation pathway. Pursuant to H.B. 21-1161, the accountability system (and clock) was suspended for FY 2020-21 and FY 2021-22 but will again take effect in FY 2022-23, pending any additional changes to law.

The separate federal accountability system also identifies and provides supports for schools deemed to be struggling. The system is particularly focused on identifying and offering supports to the lowest performing 5.0% of Title I schools and the lowest performing 5.0% of schools based on the performance of disaggregated groups (such as English Language Learners). The federal government also suspended its accountability system during the pandemic, and the U.S. Department of Education has not required the State to identify a new cohort of "comprehensive support" or "targeted support" schools since 2019.

**It is uncertain whether or how either of the accountability systems will work in the coming year or beyond.** The Department has noted that it expects more schools will be eligible for *state* support in Fall 2022 based on the declines in student achievement observed in 2021 data, but the General Assembly could make adjustments to the system. With respect to subsequent years, H.B. 21-1294 required the State Auditor to contract for an independent evaluation of Colorado's K-12 Education Accountability Systems. The final evaluation is expected to be released during the Legislative Audit Committee's December 2022 hearings and could shape the state accountability system for FY 2023-24 and beyond. With respect to the federal system, it is also uncertain whether or how the federal government will chose to restart its accountability system in FY 2022-23.

*Background - the EASI Application and the Broader System of School Supports*

Even though eligibility for supports under the state and federal accountability systems differ, the State attempts to provide a unified system of support offerings that can be accessed by schools through a single application, known as Empowering Action for School Improvement (EASI). The application

uses a needs-based approach to award services and funding. Through the EASI application process, schools can access a various levels and types of programs, as reflected in the table below.

RESOURCES AVAILABLE TO DISTRICTS AND SCHOOLS IDENTIFIED FOR IMPROVEMENT	
<b>Exploration Supports:</b> Diagnostic Reviews, stakeholder & community and Engagement Planning, Improvement Planning, Early implementation	1 year. Multiple components - \$10,000-\$25,000 per component
<b>District Designed and Led Improvement Strategies:</b> Districts initiate and expand supports for schools in need of improvement. Improvements are expected to build on planning activities. The Department provides a list of external providers that districts may choose to engage to assist in school leadership development, school improvement support, and other related areas.	Up to 2.5 years. Districts may receive up to \$50,000 for schools identified for targeted support (federal system) or on the state accountability clock.
<b>State Offered Services - Most intensive:</b> Accountability Pathways and Planning - for schools on year 3, 4, 5 of the accountability clock. For those nearing the end of the accountability clock, supports exploring turnaround options, taking action, and increasing readiness for the State Board of Education	Up to 2.5 years. Funding is up to \$30,000 per year for planning and \$100,000 per year for implementation per school. A district applying to support multiple schools may receive up to \$400,000 per year.
<b>State-offered Services - Less intensive:</b> <i>Multi-tiered System of Supports:</i> prevention-based framework of team-driven data-based problem solving	Up to 2.5 years. \$5,000 for 1 <sup>st</sup> six months (new LEA), \$65,000 per year after
<i>Connect for Success:</i> Opportunity for schools identified for support and improvement to connect and learn from High Achieving Schools, including receiving a diagnostic visits, reports and support developing an action plan	Up to 2.5 years. \$20,000 for year 1. \$80,000 per school for year 2-3.
<i>School Turnaround Leadership Development Program:</i> Opportunity for educators to connect and partner with leadership development program	Variable time period. Cost depends on the turnaround leadership development provider
<i>School Turnaround Network:</i> The Network accelerates student achievement for select schools through targeted support and flexible resources. This a collaborative endeavor between local schools, their district, and the Department. Schools participate in enhanced diagnostic reviews and planning support, professional learning opportunities with peer schools, and supplemental grants, as well as professional development, on-site performance management, network events, and principal cohort gatherings	Up to 3.5 years. \$30,000 per school for year 1, \$75,000 for year 2, and \$30,000 for year 3
<i>Continuation of Services:</i> Allows for additional support and funding schools and districts to extend services under one of the four options above	Up to 1.5 years. Up to \$40,000.
<b>Piloted Service - Facilitated Board Support:</b> Work with school board members to increase understanding of effective governance practices, increased boards support of district improvement efforts, and a develop action plan to improve academic outcomes	Up to \$10,000 per school board

**As indicated in the Department's request, only a small share of the schools that are qualified to participate in the support programs described above actually do so.** As shown in the table below, in FY 2020-21, 478 schools were eligible for state or federal supports, but only 62 (13.0 percent) participated.

	SCHOOLS ELIGIBLE FOR AND RECEIVING FEDERAL- AND STATE-FUNDED SUPPORTS					
	ELIGIBLE			AWARDED		
	FEDERAL ONLY	STATE ONLY	BOTH	FEDERAL ONLY	STATE ONLY	BOTH
EASI Cohort 1 (2017-18)	158	92	66	37	14	11
EASI Cohort 2 (2018-19)	251	77	81	86	32	49
EASI Cohort 3 (2019-20)	332	73	81	34	32	54
EASI Cohort 4 (2020-21)	329	71	78	32	10	20

**This is in part because not all those who are eligible choose to apply, but it is also due to funding available.** The Department reports that in 2019 and 2020 it awarded \$9.5 million and \$11 million in new grants, leaving 65% and 60% of requests, respectively, unfunded. However, most recently, at the State Board of Education meeting in February 2022, Department staff indicated that the State was able to fund all qualified schools that applied for support during the 2021 grant cycle. It reported receiving \$21 million in requests for the four-year grant period and awarding \$17.5 million using:

- \$8 million in federal ESSA funds;
- \$6 million in federal Elementary and Secondary Education Relief (ESSER) funds, from the 10.0 percent state level set-aside; and
- \$3.5 million in state funding from the School Transformation Grant program.

#### *Effectiveness of State's School Supports*

The Department is currently working with the Center for Assessment, Design, Research and Evaluation (CADRE) at the University of Colorado at Boulder's School of Education to evaluate the supports it is providing to the lowest performing schools in the state. According to a CADRE report, the Department conducted some preliminary analyses in the summer of 2020 to examine the progress and success of the schools it was supporting through three existing programs: the School Turnaround Network, the School Turnaround Leadership Development Program, and Connect for Success. CADRE conducted further analysis of the School Turnaround Network (STN), which began in FY 2014-15, the and School Turnaround Leadership Development (STLD) program, created in S.B. 14-124 and fully launched in FY 2016-17.

As described in the CADRE report, "**The research literature reviewed suggests that the effects of turnaround initiatives and interventions are inconclusive.** Even though the results are mixed across the literature, key themes emerge that success longer-term interventions tend to be more successful and that turnaround programs seem to be more effective in improving math achievement relative to reading achievement." For example, the CU study referenced a *meta-analysis of 67 studies* focused on evaluating the efficacy of interventions to improve student achievement in low-performing schools by Schueler et. al. As summarized in the CU study:

"Schueler et al. found that, on average, these programs reported small to medium-sized positive, statistically significant effects on student achievement in math...and small, positive (though not statistically significant) effects in English Language Arts achievement..., primary on state summative tests. A key takeaway from this meta-analysis is that despite mixed findings, interventions implemented for one year can produce positive effects in some cases, although longer-term programs appeared to have a larger effect on outcomes."

As discussed in the CADRE report, **the mixed results of studies are likely tied to the wide range of different interventions that are used in school turnaround activities. This variability is also true for the programs supported by the State.** Districts currently have wide latitude in resources they use in their turnaround efforts.

In its initial study, CADRE analyzed longitudinal administrative data collected by the state to track the academic performance of schools receiving STN and STLD supports, comparing them to the

performance of schools that were eligible to receive the supports but did not access them. The key findings, as summarized in the Executive Summary [with emphasis added]:

"On average, we found trends in student achievement consistent with small positive effects for each cohort of STN and STLD schools for years during and after participating in the programs. To put these findings into context, **these small positive changes are consistent with the average magnitude of positive effects found in other recent studies of school turnaround interventions.**

Based on examining historical academic performance data, the schools participating in the STLD and STN programs tended to experience a downward trend in performance over time prior to starting these programs. However, **for reasons that need to be studied further, these lowest performing schools often tended to experience an increase in performance, as indicated by state accountability ratings, the year prior to receiving supports.** This performance increase was consistently observed across each cohort of schools participating in these programs and was also observed in comparison schools that were eligible to participate but did not receive any EASI supports.

**When comparing student achievement in each cohort of STN and STLD schools with schools eligible for but not participating in these programs, no clear pattern of trends surface.** That is, differences in average achievement performance trends between the two groups of schools varied across cohorts and programs."

The study notes that "An important goal for the second phase of this study is to highlight proof-of-concept approaches that appear to have success at these schools, and that could potentially be adapted to meet the needs of other current and future STN or STLD schools."

#### *Rationale for Adding Funding and Staff Concerns*

- The Department's primary rationale for adding funding for this program appears to be that it believes that the State should seek to fund all requests. One part of this idea is that it is better for the State to assist schools *before* they run into deeper challenges and end up on the accountability clock, particularly since earlier interventions are less expensive. This makes sense to staff. However, it only makes sense to the extent interventions are actually effective in helping schools not spiral into worse performance and State Board accountability involvement. As outlined above, at best the state programs are demonstrating "small positive effects", but much of the data seems to be inconclusive. *Staff is very appreciative of the program's focus on evidence, but the evidence for the programs is not strong so far.*
- The Department's request highlights the impact of the pandemic and its expectation that more schools will qualify for school turnaround funding in the wake of the learning losses caused by the coronavirus pandemic. Staff has great concerns about the impact of the pandemic on schools, but it is still not clear to staff whether there will be changes to the accountability system during the 2022 legislative session that modify which schools qualify for this program. *Staff has some concerns about increasing funding for this program by over 45 percent given questions about the measures that will be used to determine if schools qualify for the program.*

- The Department's request also highlights that federal ESSA funds, which have historically provided the largest share of funding for school supports, can only be used for schools which qualify under the federal accountability system, and may not be used for schools that qualify under the state accountability system only. As clarified during the Department's budget hearing, this restriction does not apply to the \$6 million in federal ESSER funds that the State Board allocated. *It is not clear to staff to what extent the ESSER funds, awarded by the State Board of Education, will reduce the need for additional state funding in the near term.* The Department clearly expects that there will be demand.

## → SI PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD - CASH GRANTS

*REQUEST:* The Department requested \$100.0 million cash funds spending authority for the Public School Capital Construction Assistance Board - Cash Grants line item, including a reduction of \$60.0 million from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends:

- Setting the Building Excellent Schools Today (B.E.S.T.) Cash Grants line item at \$160,000,000 for FY 2022-23 in the Long Bill, with no change from the FY 2021-22 appropriation, pending updates for the March 2022 Marijuana Tax Cash Fund forecast.
- The recommendation for the Long Bill is based on current law. If the Committee sponsors legislation, as requested by the Executive Branch, to partially delay a currently-scheduled transfer of \$100,000,000 from the Marijuana Tax Cash Fund to the Public School Capital Construction Assistance Fund on June 1, 2022, the bill would include an appropriation clause that adjusts the appropriation in the Long Bill by the same amount that the FY 2021-22 transfer is reduced. If the transfer for FY 2021-22 is reduced by \$50.0 million, as requested, the appropriation clause in the bill would reduce the \$160.0 million in the Long Bill to \$110.0 million (\$160.0 million less \$50.0 million).
- Staff recommends that the Committee adopt a consistent methodology, described below, for determining cash grants available for the B.E.S.T. program each year. This methodology is based on the unobligated fund balance projected for the end of the current year (FY 2021-22 for FY 2022-23 figure setting). The approach assumes that COP payments for the upcoming year will be paid from revenue received in FY 2022-23, but that all other obligations, including cash grants, will be paid from FY 2021-22 (prior year) revenue.

*ANALYSIS:*

*Background:* The Building Excellent Schools Today (B.E.S.T.) program, created in H.B. 08-1335, is the State's primary public school capital construction assistance program. Structured as a competitive grant program, the program provides assistance through both certificates of participation (COPs) and cash grants. State trust lands and marijuana excise tax revenue provide the vast majority of state funding for the program.

Both COP payment and cash grants amounts are subject to annual appropriation by the General Assembly. The COP payment amount is capped by the total COP payments authorized by the General Assembly (\$125 million total funds, including a maximum of \$62.5 million from state funds).

*Recommended Methodology:* As discussed in the FY 2022-23 staff budget briefing, the Department has been exploring a consistent methodology for setting for the Public School Capital Construction Assistance -- Cash Grants line item. **The version staff supports relies *primarily* on the estimated revenue in the year when figure setting occurs (FY 2021-22 for the FY 2022-23 budget).** The calculation would be as follows:

- Calculate the projected end of year uncommitted fund balance for the current fiscal year (FY 2021-22). By March 2022, much of the revenue for the year is already known, as are FY 2021-22 appropriations for cash grants and COP obligations.
- Reduce by required statutory reserves (1 year COP payment reserve required by statute) and \$1.0 million General Fund also required by statute.
- Reduce by projected administrative and transfer obligations for the coming fiscal year (FY 2022-23)
- Remaining balance = Recommended Cash Grants appropriation.

Note that, in this calculation, the COP obligation for FY 2022-23 is assumed to be paid from FY 2022-23 revenue, rather than FY 2021-22 revenue. However: (1) the recommended calculation includes a full one-year of reserves for the COP amount of up to \$62.5 million in state funds; and (2) current law and Constitutional provisions make it unlikely that program revenue will fall below \$80.0 million, including \$40.0 million from marijuana excise taxes and \$40.0 million from the State Land Board. ***So long as the COP cap does not increase without a corresponding increase in reliable revenue,*** this approach does not seem particularly risky.

Other options:

- 1) A **more** fiscally conservative approach would be to require that funding for **all** obligations be based on the prior year revenue. Using this approach the recommended cash grant amount for FY 2022-23 would be \$62.0 million lower.
- 2) A **less** fiscally conservative approach would be that prior year fund balances cover grants, but that current year revenue covers all other obligations. With this approach, administrative and transfer obligations would be funded from new revenue, rather than prior year revenue. Using this approach, the cash grant amount for FY 2022-23 would be \$20.0 million higher.

*FY 2022-23 Calculation:*

PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND CASH GRANTS AVAILABLE		
FY 2021-22 Start of Year		
Unobligated Beginning Balance		\$178,142,179
Revenues	State Land Board	61,835,734
	Lottery	2,500,000
	Marijuana Funds <sup>1</sup>	119,300,000
	Interest Earnings	3,781,071
	District Bond Match	33,811,737
	Transfer from MTCF <sup>2</sup>	100,000,000
	<b>Total Revenue</b>	<b>\$321,228,542</b>
Expenditures	New Cash Grant Awards	150,000,000
	State Debt Service	62,496,151
	District Debt Service	33,811,737

PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND CASH GRANTS AVAILABLE		
	MJ Excise to Charter Schools <sup>1</sup>	8,696,085
	Administration	1,919,221
	Total Expenditure	\$256,923,194
FY 2021-22 End of Year		
	Projected Unobligated Ending Balance	\$242,447,528
Less FY 2022-23		
Obligations	State Debt Service Reserve	61,962,986
	MJ Excise to Charter Schools <sup>1</sup>	17,978,510
	Administration	1,996,758
	Minimum statutory reserve	1,000,000
	Total FY 2022-23 Obligations	\$82,938,254
	Excluding FY 23 COP Payment	\$82,938,254
	Balance Available for FY 2022-23 Cash Grants	\$159,509,274

<sup>1</sup> Subject to adjustment based on the March 2022 Marijuana Excise Tax revenue forecast.

<sup>2</sup> The amount shown is based on current law, which provides a transfer of \$100.0 million on June 1, 2022.

A statutory change has been requested that would reduce the FY 2021-22 transfer to \$50.0 million and provide additional transfers, totaling \$50.0 million between FY 2022-23 and FY 2023-24.

*Contingencies and Adjustments:* The calculation shown is subject to adjustment based on the March 2022 revenue forecast. In addition, the calculation is based on current law and includes the impact of a \$100.0 million transfer from the Marijuana Tax Cash Fund to the Public School Capital Construction Assistance Fund on June 1, 2022. To ensure solvency in the Marijuana Tax Cash Fund, the Governor's Office has proposed that the \$100.0 million transfer to the Public School Capital Construction Assistance Fund be adjusted so that it is spread over several years. If the General Assembly concurs, the recommended appropriation for this line item would also need to be adjusted.

### → COMMITTEE OF REFERENCE ITEM - TEACHER STIPENDS FOR NATIONAL BOARD CERTIFICATION

*REQUEST:* The Department did not request this adjustment, but during the Joint Budget Committee's meeting with the Joint Education Committee in January 2022, members of the Joint Education Committee expressed interest in restoring funding to support National Board Teacher Certification.

*RECOMMENDATION:* Given the source of this proposal, staff is not making a formal recommendation on this item, and no amount is currently included in the staff recommendation. However, staff has included background information to assist the Committee in making a decision.

*BACKGROUND ON STIPENDS FOR NATIONAL BOARD CERTIFICATION:* House Bill 12-1261 extended a program (originally created by H.B. 08-1364) to provide stipends to school teachers holding certification from the National Board for Professional Teaching Standards (NBPTS). Subject to available appropriations, the program provides an annual stipend of \$1,600 to each national board certified teacher and an *additional* \$3,200 stipend to such teachers employed in low-performing, high needs schools (defined as schools accredited with a priority improvement plan or a turnaround plan).

House Bill 12-1261 included an appropriation of \$604,800 cash funds from the State Education Fund based on an estimate of the number of eligible teachers in low-performing, high needs schools. Under



the bill, if appropriations are insufficient to provide stipends to all qualified teachers, then the Department only provides the increased stipends to teachers in low- performing, high needs schools. In FY 2013-14, the General Assembly appropriated \$1,617,600 cash funds from the State Education Fund to provide stipends to eligible teachers outside of low-performing, high needs schools. The FY 2014-15 Long Bill reduced the appropriation to \$1,580,800 based on actual utilization of the program, and the FY 2016-17 Long Bill further reduced the appropriation to \$1,384,000.

House Bill 19-1036 (Annual Stipends for Certified School Professionals) added school psychologists who hold a certification from the National Association of School Psychologists and meet the other program requirements to the list of school personnel that qualify for the stipends. The bill also clarifies that school counselors holding a certification from the NBPTS are eligible for the stipends, which aligned with the Department’s existing practice. For FY 2019-20, the General Assembly added \$719,256 through a FY 2020-21 Long Bill “add-on” to allow payments based on the expanded eligibility created by H.B. 19-1036. However, the General Assembly eliminated the entire appropriation for FY 2020-21 as a budget balancing measure in response to the revenue shortfalls associated with the COVID-19 pandemic.

**In sum, the appropriation for this program was \$1,384,000 from the State Education Fund between FY 2016-17 and FY 2018-19. It was increased to \$2,103,256 from the State Education Fund in FY 2019-20 when the program was expanded to school counselors and psychologists. It was then defunded in FY 2020-21 and FY 2021-22.**

The table below shows numbers of individuals receiving the stipends and bonus stipends between FY 2008--09 and FY 2018-19 based on a September 2019 report on National Board Funding from the Department.

SCHOOL YEAR	STIPEND AMOUNT AWARDED	TOTAL CANDIDATES RECEIVING STIPENDS	NUMBER RECEIVING BONUS STIPENDS*	NUMBER RECEIVING PARTIAL STIPENDS**
2008-09	\$636,248	313	43	16
2009-10	\$704,833	377	51	22
2010-11	\$0	0	0	0
2011-12	\$0	0	0	0
2012-13	\$160,848	37***	37	6
2013-14	\$1,112,084	638	38	39
2014-15	\$1,225,088	657	57	33
2015-16	\$1,338,296	670	47	35
2016-17	\$1,139,934	637	48	42
2017-18	\$1,108,800	583	55	33
2018-19	\$1,172,800	619	57	37

\*Number included in total number of candidates receiving stipends.

\*\*Number included in total number; may also be a bonus recipient.

\*\*\*Award limited to only those working in low-performing, high-needs schools.

The following table shows the distribution of educators (including special services provider school psychologists and counselors) by district that were expected to receive stipends if the State had proceeded with the distributions planned in FY 2019-20. The Department states that it goes through districts to simplify the process of obtaining the stipends for educators.

2019-2020 NB STIPEND SCHOOL DISTRICTS	NUMBER OF EDUCATORS
Academy School District 20	5
Adams-Arapahoe 28J (Aurora)	28
Adams 12 Five Star Schools	39
Adams County School District 14	5
Aspen 1	6
Bayfield 10 JT-R	1
Boulder Valley RE 2	195
Brush RE-SJ	1
Buffalo RE-4	1
Canon City RE 1	3
Centennial BOCES	2
Charter School Institute (CSI)	4
Cherry Creek 5	145
Cheyenne Mountain 12	25
Colorado School for the Deaf/Blind	1
Colorado Springs 11	53
Custer County School District C-1	2
Delta County 50J	1
Denver County 1	214
District 49	9
Douglas County RE 1	52
Durango 9-R	4
Eagle County RE 50	15
East Grand 2	5
Englewood	1
Estes Park R-3	5
Expeditionary BOCES	1
Fort Morgan RE-3	3
Fountain 8	10
Fremont RE 2	2
Greeley 6	10
Gunnison Watershed RE1J	3
Harrison 2	21
Ignacio 11 JT	2
Jefferson County R-1	81
Lake County R-1	2
Lewis-Palmer 38	11
Littleton 6	31

2019-2020 NB STIPEND SCHOOL DISTRICTS	NUMBER OF EDUCATORS
Manitou Springs 14	2
Mapleton 1	8
Mesa County Valley 51	39
Montrose County RE 1J	2
NE BOCES	2
NW BOCES	2
Ouray R-1	1
Peyton 23 JT	1
Pikes Peak BOCES	2
Platte Canyon 1	1
Platte Valley RE 7	1
Poudre R-1	47
Pueblo City 60	9
Pueblo County 70	4
Ridgway R-2	1
San Juan BOCES	4
Santa Fe Trail BOCES	1
Sargeant RE 33J	1
School District 27J	13
SC BOCES	1
SE BOCES	1
St Vrain Valley RE 1J	20
Steamboat Springs RE-2	2
Summit RE-1	8
Telluride R-1	11
Thompson R-2J	10
Uncompahgre BOCES	1
Upper Rio Grande C-7	1
Weld RE-3J	2
West Grand 1-JT	1
Westminster Public Schools	17
Widefield 3	10

*ADDITIONAL INFORMATION ABOUT THE PROGRAM*

- National Board Certification is a rigorous process that takes one to five years. For additional information on the program, see the National Board website: <https://www.nbpts.org/>
- According to the Department, **some school districts also offer financial incentives to teachers in those districts to support National Board certification. In those districts that offer their own stipends or incentives, in addition to stipends offered by the State, more teachers have**

pursued National Board certification. This includes Boulder Valley and Cherry Creek school districts, and Denver Public Schools among several others.

- **Based on the directory on the National Board website, it appears that National Board certified teachers are disproportionately in certain school districts. Of the 1,195 teachers listed, 222 are employed by Boulder Valley, 154 are employed by Cherry Creek, and 162 are employed by Denver Public Schools.** However, only 32 are employed by Jefferson County School District, only 12 are employed by Adams 12 Five Star, and only 19 are employed by Aurora Public Schools. **While the program as it currently exists in statute is not limited to teachers, the distributions table above demonstrates that Boulder, Cherry Creek, and DPS are also the districts with the greatest numbers of applicants for the State stipend program.**
- The National Board website includes a list of 1,195 National Board Certified teachers in Colorado, and it appears that most of these are current. Thus, it appears that only about half of those eligible to apply for a state stipend actually applied when the program was funded and directed solely to teachers.. If all teachers with current certification actually applied for a state stipend, it appears the cost of the program could double.
- Given the lack of growth in the program since it began, it does not appear that a state stipend alone has incentivized teachers to pursue certification. **If demand for certification is driven more by local district compensation policies, demand for the state program and related costs may be driven primarily by how many districts have the financial resources to provide their own stipends.**

*OTHER ACTIVE PROGRAM RELATED TO NATIONAL BOARD CERTIFICATION:*

- The Rural Educator Recruitment, Retention, and Professional Development line item in the Department of Higher Education provides funding to support teachers at rural schools who are pursuing national board certification. This line item has been fully restored to its pre-pandemic level.

**→ SI RECOMMENDATION TO ADJUST EARLY LITERACY FUNDING AND OTHER OPTIONS FOR COMMITTEE CONSIDERATION**

*Background:* Based on concerns about the pace of improvement in literacy outcomes, the General Assembly enacted S.B. 19-199 (READ Act Implementation Measures) to modify the uses of funds under the READ Act both by the Department and by local education providers that receive funds.

Some of the key changes in S.B. 19-199, as subsequently amended, included:

- Requiring that early literacy services provided by local education providers (LEPs) be evidence-based;
- Requiring that each early grade teacher successfully completes evidence-based training in teaching reading, provided by the LEP, CDE, or an institution of higher education. If requested by the LEP, CDE must provide training at no cost. LEPs must submit evidence to CDE that teachers have successfully completed training. H.B. 21-1129 extended the deadline for completing this training to the beginning of the FY 2022-23 school year.

- Requiring that per-pupil funding allocations to LEP be used strictly for specified early literacy activities, rather than allowing these funds to be more broadly embedded in school district spending plans.
- Requiring multi-year professional evaluation of the program, with the first report completed by July 1, 2021.

Along with the statutory changes, the bill changed the structure of funding under the READ Act for FY 2019-20 to reflect the new requirements for schools as well as the Department's new responsibilities. Continuing the adjustments made for FY 2019-20, and FY 2020-21, the FY 2021-22 appropriation included the following cash funds appropriations. Most of these are from the Early Literacy Fund, which is supported with an annual statutory \$34.0 million transfer from the State Education Fund. Other funding sources include \$5,378,678 from the Marijuana Tax Cash Fund and \$2,997,072 from the State Education Fund.

- \$1,801,522 from the Early Literacy Fund and 12.0 FTE for the Department's administration of the Early Literacy Program and the provision of technical assistance to local education providers under the bill.
- \$7,500,000 (including \$5,378,678 from the Marijuana Tax Cash Fund and \$2,121,322 from the Early Literacy Fund) for the Early Literacy Competitive Grant Program.
- \$2,702,557 from the Early Literacy Fund to support evidence based training provided to teachers by the Department. As adjusted by S.B. 19-199, current law requires the Department to provide such training free of charge to teachers in districts that request the training.
- \$750,000 from the Early Literacy Fund to support an independent evaluation of the program and student outcomes under the program.
- \$500,000 from the Early Literacy Fund and 0.5 FTE to support a public information campaign on the importance of reading.
- \$26,261,551 from the Early Literacy Fund for per pupil intervention funding.

A total \$5.0 million was transferred from the Early Literacy Fund as part of budget balancing between FY 2020-21 and FY 2021-22, but no other transfers are currently scheduled.

*Program Impact:* Department staff express confidence that the new READ program is making a significant difference. They note that the changes that require particular school district activities, such as training and spending per-pupil allocation dollars on early literacy activities, are leading school districts to change their early literacy programs and practices. WestEd's independent evaluation of the per-pupil funding program found that schools receiving the funding reported increased time directed toward reading instruction and more data-driven approaches. However, consistent with earlier evaluations, they also reported that the per-pupil funding was often mixed with other funding streams, making its impact less clear.<sup>6</sup> Key formal evaluations of how the various new reading programs are affecting student performance are still pending. Because school districts are using a multitude of different tools to assess student progress, the Department must develop a "concordance" to compare performance. This is expected to take until the end of the summer.

*FY 2019-20 and FY 2020-21 Reversions of Training Funds and Recommended Adjustment:* In both FY 2019-20 and FY 2020-21, the Department received appropriations of \$2,702,557 from the Early Literacy Fund for Early Literacy Program Evidence Based Training Provided to Teachers. In both years, it

<sup>6</sup> <https://www.cde.state.co.us/coloradoliteracy/perpupiljbcsummaryreport>

dramatically underspent the appropriations, with spending in FY 2019-20 at \$18,965 and spending in FY 2020-21 at \$611,091. The Department indicates that these lower expenditures are related to the program going on-line, and that it expects FY 2021-22 expenditures to be somewhat higher, as it will use some of the funds toward 3.5 FTE who are supported in the line item and who are needed to help with the extensive tracking required of which teachers have met training requirements. Nonetheless, **it seems likely that there will again be significant reversions from this line item in FY 2021-22 and going forward of over \$1.0 million. In light of this, and recent feedback from the Department, the staff recommendation includes moving \$1,000,000 cash funds from the appropriation for Early Literacy Program Evidence Based Training Provided to Teachers line item to the Early Literacy Competitive Grant Program line item for FY 2022-23.** The Committee may also want to consider authorizing the Department to direct some additional funds to related administration. The Department has expressed a need for this, but staff will bring a comeback on this pending further information from the Department.

*Other Options:* The staff recommendation includes moving \$1.0 million from the Training line item to the Grants line item; however staff is bringing a broader range of alternatives to the Committee for its consideration. Options include:

- **Moving appropriations:** Reducing the appropriation in the Early Literacy Program Evidence Based Training Provided to Teachers line item by a different figure (e.g., \$1.5 million) and increasing funding in either the Competitive Grant Program line item or the Per Pupil Intervention Funding line item; **or**
- **Adding flexibility:** Giving the State Board of Education flexibility, through a Long Bill footnote, to transfer up to a specified amount of the FY 2022-23 appropriations, e.g., \$1.5 million, from the Early Literacy Program Evidence Based Training Provided to Teachers line item to the Early Literacy Competitive Grant Program line item and/or the Early Literacy Program Per Pupil Intervention Funding line item. This would allow the State Board to make a decision once the Board is informed by the results of the Department's current work on evaluating program impacts (which is expected to be completed by the end of the summer); **or**
- **Reduce Marijuana Tax Cash Fund appropriations:** To the extent the JBC is attempting to manage Marijuana Cash Tax Fund revenue shortfalls, the Committee could potentially take an overall reduction to the Early Literacy Program budget through the line item for Early Literacy Program Evidence Based Training Provided to Teachers, and use some of the Early Literacy Fund savings to offset the demand for Marijuana Tax Cash Fund appropriations in the Early Literacy Competitive Grant Program line item.
- **Administrative needs:** Regardless of the option chosen, the Department notes that it may also require some additional funds to be set aside to cover administrative costs, given the significant workload it faces related to tracking the status of required teacher training. If the Committee decides to move funds or provide flexibility, staff assumes that these administrative needs would be taken into account.

*Grants versus Per-pupil Funding:* Previous evaluations found that grant program funding was much more effective than per pupil funding at changing district practices. However, Department staff have noted that reflected the old READ program, which had far fewer specific requirements tied to per pupil

funding than to grant funding. As the program has been changed, the Department is hopeful that per pupil funding will also begin to show significant impacts on student learning.

### → SI FACILITY SCHOOLS ADJUSTMENT [BILL RECOMMENDED]

*REQUEST:* The Department requested a continuation level of funding (\$17,024,650 cash funds from the State Education Fund) for the Facility Schools Funding line item for FY 2022-23, with no change from the FY 2020-21 appropriation.

*RECOMMENDATION:* Staff recommends:

- Approving an appropriation of \$12,311,075 cash funds from the State Education Fund for the Facility School Funding line item in the Long Bill for FY 2022-23. This represents a decrease of \$5,134,050 from the previous appropriation of \$17,365,125 and is based on assumption that facility school FTE counts will be at approximately 927. A buffer of 15.0 percent has been included in the calculation.
- Approving a set-aside for the balance in the appropriation, rounded to \$5,134,000 from the State Education Fund, for a JBC bill that would authorize an additional year of supplemental support for facility schools and, potentially, other entities that support a similar student population. If the Committee supports this option, staff would request authority from the Committee to begin work with the Department on bill draft.

*ANALYSIS:*

#### **BACKGROUND – FACILITY SCHOOLS**

While most children in Colorado receive public education services through school districts or schools that are authorized by the State Charter School Institute, some children receive their education through schools operated by community-based facilities or state-operated programs.<sup>7</sup> In 2008, the General Assembly modified the method of funding facility schools and certain state programs by:

- Removing pupils educated by facility schools from districts' pupil enrollment counts for purposes of funding.<sup>8</sup>
- Requiring facility schools and state programs to report information directly to the Department's Facility Schools Unit concerning individual students, including the student's district of residence and the actual number of days of attendance each month.
- Allowing facility schools to bill the Department for statewide average per pupil revenues times 1.33, and allowing facility schools to bill for an additional one-third of per pupil revenue to support Summer school programs. In 2013, the General Assembly modified this provision to provide statewide base per pupil funding times 1.73 in an effort to increase funding for facility schools.

<sup>7</sup> Pursuant to Section 22-54-129 (1) (f), C.R.S., “state programs” include the Colorado School for the Deaf and the Blind and the education programs operated by the Colorado Mental Health Institutes at Pueblo and Fort Logan. Because the State has closed the facility at Fort Logan, the School for the Deaf and the Blind and the Colorado Mental Health Institute at Pueblo are the only remaining state programs.

<sup>8</sup> Districts continue to include students who reside in a facility or group home and attend a district school in their October count for purposes of funding. Further, students in "out-of-district" placements who attend public school are included in the pupil count of the district of attendance.

The General Assembly also created a Facility Schools Board to adopt curriculum standards, accountability measures, and graduation requirements for facility schools. This act also created the Facility Schools Unit within the Department of Education charged with:

- Developing and maintaining a list of approved facility schools.
- Making recommendations concerning curriculum standards and graduation standards.
- Maintaining information and records for students who receive educational services from approved facility schools.
- Communicating and collaborating with the Department of Human Services, county departments of social services, and other agencies regarding the placement and transfer of students in facilities.

The Facility Schools Funding line item provides funding for the Department to make payments to facility schools as required by Section 22-54-129, C.R.S. Under current law, as adjusted by S.B. 13-260, facility schools receive statewide *base* per pupil funding amount times 1.73; this amount is translated into a daily rate, and each facility school receives a daily rate for each child in attendance for up to 235 days each school year.

### **FY 2022-23 FACILITY SCHOOLS FUNDING**

The Department’s FY 2022-23 budget request assumes flat funding for the Facility Schools Funding line item, with no change from the FY 2021-22 appropriation. The request does not adjust for any changes in the two variables that determine the necessary amount of funding: the facility school pupil count and the per pupil funding amount for facility schools. The staff recommendation seeks to adjust for both of those variables:

- *Pupil count:* Staff is recommending that the Committee assume an *average* facility school student FTE count of 927. This is based on a point-in-time recent student count of 806 plus a buffer of 15 percent, given the variation in this number throughout the year. This is far below the 1,362 estimate used for the FY 2020-21 Long Bill and continued in FY 2021-22. Staff noted considerable uncertainty in utilization last year, and staff was operating on the assumption that enrollment figures would rebound post-pandemic. However, given the multiple pressures on the facility school system, including changes that are driven by federal policy, staff currently believes it makes sense to use a lower estimate and ensure that the difference between actual enrollment and the previous appropriation can be used to help support facility schools and related entities through a transition period.
- *Per pupil funding amount:* Facility school per pupil funding is calculated as the *statewide base per pupil amount* times 1.73. The Colorado Constitution requires the statewide base per pupil funding amount to increase by the rate of inflation each year. Base per pupil funding has been calculated to be \$7,478.16 for FY 2022-23. Multiplied by 1.73, per pupil funding for facility school students will be \$12,937 per pupil.

As shown in the following table, the recommended assumptions reduce payments to facility schools by \$5,033,382 below the FY 2021-22 appropriation. Consistent with prior years, staff has included a “buffer” (equal to 2.0 percent of facility school funding) to account for additional potential fluctuations in placement and attendance, reducing the total recommended appropriation to the Facility School Funding line item to \$12,231,075. The recommendation for FY 2022-23 also includes the following anticipated transfer to the Colorado School for the Deaf and the Blind (\$1,620,730).



Staff also anticipates a transfer to the Colorado Mental Health Institute at Pueblo but does not have an estimated figure currently available.

FACILITY SCHOOL FUNDING: FY 2022-23				
DESCRIPTION	FY 2021-22 APPROPRIATION	FY 2021-22 CURRENT PROJECTION	FY 2022-23 STAFF REC.	CHANGE FROM FY 2021-22 APPROP.
Projected Average Facility Schools FTE	1,362	927	927	(435)
Multiplied by: Statewide Base Per Pupil Funding X 1.73	\$12,499.73	\$12,499.73	\$12,937.22	\$437.49
Total Estimated Facility School payments	\$17,024,632	\$11,587,250	\$11,991,250	(\$5,033,382)
Plus: Additional Funding (approximately 2.0 percent) to account for placement and attendance fluctuations	340,493	231,745	239,825	(100,668)
Recommendation for Facility School Funding line item	\$17,365,125	\$11,818,995	\$12,231,075	(\$5,134,050)
Estimated portion of the above amount transferred to state agencies:				
<i>Department of Education:</i> Colorado School for the Deaf and the Blind	\$1,669,300	\$1,465,108	\$1,620,730	32,730
<i>Department of Human Services:</i> Mental Health Institutes (Pueblo only)	\$161,674	*	*	*

\*Estimate not yet available.

**2021 SESSION BILL, WORK GROUP, AND SET-ASIDE FOR FACILITY SCHOOLS**

The Joint Budget Committee sponsored S.B. 21-274 (Sustainable Model to Serve Facility School Students) to help address the rapid closure of facility schools that serve students in hospitals, residential child care placements and other day- and overnight placements that serve children and youth with high needs. The bill included:

- \$500,000 for the Department to contract for work associated with the facilitation of the work group, compilation of the required report, and a financial analysis of the existing facility schools system; and
- \$5.7 million for supplemental payments to facility schools approved by the Department as of October 1, 2021. The goal of the supplemental payments is to maintain as much of the existing capacity in the facility school system as possible while the work group develops the new model. The bill charges the Department with determining the allocation of the supplemental funds.

The \$5.7 million in one-time funding has been disbursed to facility schools in FY 2021-22, based on each facility school's highest average per-pupil enrollment from the prior three years.

**2022 SESSION BILL RECOMMENDED FOR ONE ADDITIONAL YEAR OF SUPPLEMENTAL SUPPORT, WHILE WORK GROUP COMPLETES ITS RECOMMENDATIONS**

Senate Bill 21-174 requires the Facility School Work Group to submit a written report to the Joint Budget Committee by November 1, 2022, with a funding model anticipated to be implemented July 1, 2023. Since the appropriation for the Work Group was only for FY 2021-22, the supplemental bill for the Department of Education includes a provision that allows the Department to roll-forward unspent funds from FY 2021-22 to enable the Work Group to complete its work.

The Work Group has been meeting regularly and diligently to develop a new model for funding facility schools and other schools that serve a high needs student population. However, since a new model for funding facility schools is not expected to be implemented until FY 2023-24, staff believes an additional year of "stop gap" funding will be required in FY 2022-23 to help ensure that the existing network of facility schools and other providers for children and youth with high levels of need does not erode further.

As outlined by staff during the 2021 session, the rationale for providing such support is to help maintain some infrastructure for students and families. As noted last year, "due to changes in the child welfare system, residential provider capacity has decreased by 30 percent in the past five years. Partly as a result of those changes, the number of facility schools operating in Colorado has continued to decrease (see chart below), reducing the capacity to serve a population of particularly vulnerable students."



The *number* of facility schools does not appear to have eroded as quickly in the last year. However, the capacity and placements in the facility schools that exist has continued to plummet. As reflected in the estimate above for paid facility school days, **total placements in facility schools is estimated to have declined by 435 pupil FTE (31.9 percent) in the last two years** between the original estimate for FY 2020-21, which was based on FY 2019-20 placements, and the projection for FY 2022-23, which is based on FY 2021-22 placements.

- **Research conducted on behalf of the Facility School Work Group has found that 76 percent of facility reported that they were operating in the red, and 58 percent of schools reported revenue that covers less than 75 percent of their yearly budget.**
- This research also found that 60 percent of the \$5.7 million allocated through the supplemental funding mechanism to facilities schools was devoted to "basic necessities", but this was defined

as either staffing and wages or building improvements. The largest share of the funding provided by the General Assembly in FY 2021-22 appears to have been used to address deferred maintenance, apparently at least in part because schools were hesitant to add staff with one-time funds. Staff notes that these facilities are often subject to damage due to the population served, and the ability to address facility needs has been meaningful to the facility schools.

**At the February 4, 2022 meeting of the S.B. 21-274 Work Group, the group reached consensus that there is a need for a short-term plan for additional funding during the 2022-23 school year to continue to provide stop-gap funding to maintain capacity in current approved facility schools.** The Facility School Board expressed support for a JBC Staff suggestion that current funding for facility schools in the Facility Schools Funding line item might be used to help address the need for additional short-term funding in FY 2022-23.

The Facility School Board provided a proposal that would have involved keeping the funding in the Facility Schools Funding line item intact and authorizing the Board to distribute the full appropriation proportionately to facility schools. Staff does not support this mechanism, as staff does not believe this approach can be supported under current statute. However, **staff recommends that the Committee establish a set-aside of the money staff recommends reducing from the Facility Schools Funding line item--\$5,134,000 cash funds from the State Education Fund--for new legislation that will continue to address the needs of facility schools, and potentially other facilities serving the students who are the focus of S.B. 21-274, on an interim basis. Staff further recommends that the Committee authorize staff to begin working on a related bill draft.**

#### → SI RESTORE BEST FINANCIAL ASSISTANCE FOR PRIORITY ASSESSMENTS

*REQUEST:* The Department did not formally request this adjustment but informally expressed interest in restoring spending authority.

*RECOMMENDATION:* The staff recommendation restores \$15,000 cash funds from the Public School Capital Construction Assistance Fund in the Financial Assistance for Priority Assessments line item for the Building Excellent Schools Today program. The line item was reduced by \$15,000 cash funds from \$150,000 cash funds to \$135,000 cash funds in FY 2021-22, based on a Department request that reflected a highly constrained budget. However, funding for the BEST program has been restored, and staff believes it is reasonable to fully restore funding for this line item. This line item is used to pay a contractor to assess the facility condition of public schools.

#### → SI THIRD-YEAR FUNDING FOR FAFSA COMPLETION GRANT PROGRAM IN SCHOOL COUNSELOR CORPS GRANT PROGRAM

The School Counselor Corps Grant Program, established in 2008, provides grants to school districts, boards of cooperative services, and charter schools to increase the availability of effective school-based counseling within middle and secondary schools. Subject to available appropriations, the State Board awards three-year grants based on statutory criteria.

Beginning in FY 2019-20, H.B. 19-1187 required an additional appropriation within the program of \$250,000 General Fund for FY 2019-20, FY 2020-21, and FY 2021-22 with the goal of assisting

students and families in completing state and federal financial aid applications. The State Board of Education is required to distribute the additional funding to local education providers that receive a school counselor corps grant. Recipients must use the additional funding to: (1) develop and distribute information regarding the process for and benefits of completing the Free Application for Federal Student Aid (FAFSA) and state financial aid applications; (2) train school counselors on best practices to support students and families in the completion of applications, with an emphasis on communities with historically low completion rates; and (3) organize opportunities for students and families to meet with stakeholders who assist with the completion of aid applications.

The requirement to appropriate an additional \$250,000, and the associated appropriation for \$250,000 General Fund, was suspended for FY 2020-21 *only* as a budget balancing measure. The remaining statutory requirement for a \$250,000 General Fund applies to FY 2019-20 and FY 2021-22. **The General Assembly's intent with respect to funding for FY 2022-23 is unclear. There is no requirement for funding in FY 2022-23, but it is still feasible under current law. The program repeals after FY 2022-23.**

*REQUEST:* The Department's budget request continues the \$250,000 General Fund authorized by H.B. 19-1187 for FY 2022-23 for FAFSA completion funding.

*RECOMMENDATION:* **Staff recommends the request to continue funding in FY 2022-23, but is bringing this item to the Committee's attention, since the General Assembly's intent with respect to funding for FY 2022-23 was unclear.**

*ANALYSIS:* Colorado has an exceptionally low rate of completion on the FAFSA (45 percent) compared to other states. H.B. 21-1330 provided the Department of Higher Education with an appropriation of \$1,000,000 (that originated as federal ARPA funds) for a new grant program and Financial Aid Working Group to promote FAFSA completion. A report from the working group, issued in January 2022, specifically includes a recommendation that the State maintain or increase funding for the School Counselor Corps grant program as one among a number of steps for moving toward a goal of having 80 percent of graduating seniors complete the FAFSA by 2026.

Given that current statute for this program repeals July 1, 2023, *the General Assembly will need to modify statute to continue the program in subsequent years if it supports the Working Group's recommendations.*

## → SI ANNUALIZE DYSLEXIA MARKERS PILOT PROGRAM FUNDING

### DYSLEXIA MARKERS PILOT PROGRAM

The General Assembly added a line item in the FY 2020-21 Long Bill to support the Dyslexia Markers Pilot Program created in H.B. 19-1134 [Section 22-20.5-104, C.R.S.] to identify markers of dyslexia and to enable effective interventions. Following the 2021-22 school year, the bill required the Department to evaluate the implementation of the pilot program and the effectiveness of the piloted strategies to identify and support dyslexic students. Under current law, the Department is required to prepare a report to the General Assembly no later than December 31, 2022, and the pilot program is repealed July 1, 2023.

*REQUEST:* The Department requests a continuation appropriation of \$127,973 General Fund to support pilot program in FY 2022-23.

*RECOMMENDATION:* **Staff recommends eliminating funding for the program in the Long Bill, based on the timing outlined in H.B. 19-1134 and the bill's original fiscal note.** The dyslexia pilot program was intended to run for the 2020-21 and 2021-22 school years. Due to the pandemic, it was not possible to start the program until the 2021-22 school year. The Department indicates that it would like the program to run for two years as intended, which would extend the program to the 2022-23 school year and delay other deadlines. The Department indicates it is planning to seek the appropriate statutory changes. **Staff anticipates that FY 2022-23 appropriations will be included in legislation that modifies the deadlines for the program.**

### → SI ANNUALIZE WORKFORCE DIPLOMA PILOT PROGRAM

The Workforce Diploma Pilot Program was created in H.B. 19-1236 (Workforce Diploma Pilot Program) and first funded in the FY 2020-21 Long Bill. As authorized in Section 22-10.3-101 through 105, C.R.S., the program provides performance payments to qualified providers of dropout recovery services for eligible adult students (residents of Colorado that are at least 21 years old and do not have a high school diploma) who achieve specific education milestones. The bill requires the Department to review provider qualifications, determine eligibility, and publish a list of providers that met the necessary criteria.

Qualified providers are eligible for payments for educational outcomes achieved at least 30 days after the Department publishes the list of eligible programs each year. The bill requires the Department to disburse payments to qualified providers in specific amounts for the completion or attainment of specific outcomes by eligible students (e.g., \$250 for completion of each half-credit earned, between \$250 and \$750 for attainment of an industry-recognized employment skills certification (depending on the amount of training required), and \$1,000 for the completion of an accredited high school diploma). The bill limits payments to no more than \$7,000 per student (to one or more providers). The Department is required to pro-rate payments (reducing all payments by the same percentage) if insufficient funds are available to make the full payments.

House Bill 19-1236 included an appropriation of \$1,012,201 General Fund and 0.2 FTE to support the program in FY 2019-20. In response to projected revenue declines, the General Assembly reduced the appropriation to \$212,222 General Fund and 0.2 FTE for FY 2020-21 as a budget balancing measure. In FY 2021-22, the Department proposed a statutory change to eliminate the program, but the General Assembly did not move forward with this proposal. However, under current law, the program repeals July 1, 2022.

*REQUEST:* The Department requests an appropriation of \$212,878 General Fund and 02. FTE.

*RECOMMENDATION:* Staff does not recommend funding for this line item in the Long Bill. This program repeals July 1, 2022 under current law. Therefore, any funding for this program for FY 2022-23, if approved, will need to be provided through new legislation that reauthorizes or extends the repeal date for the program.

## → SI TECHNICAL ADJUSTMENT TO ANNUALIZATION FOR S.B. 21-106 (SUCCESSFUL HIGH SCHOOL TRANSITIONS)

The Staff recommendation includes a technical adjustment to create a new line item in the Department for Fourth-year Innovation Pilot Program - Distributions to Local Education Providers (LEPs). The amount in the line item is based on the impact in FY 2022-23 of Senate Bill 21-106 (Successful High School Transitions). The Department's request included the funding associated with this second year impact, but it included the amount in an existing line item for the High School Innovative Learning Pilot Program, rather than in a separate line item for the new Fourth-year Innovation program. The staff recommendation provides:

- \$349,039 General Fund and 0.6 FTE in the High School Innovative Learning Pilot Program line item; and
- \$68,208 General Fund in a new Fourth-year Innovation Pilot Program - Distributions to LEPs line item.

*ADDITIONAL BACKGROUND:* Senate Bill 21-106 modified the High School Innovative Learning Pilot Program, which was originally created in S.B. 19-216. It also added a new program: the Fourth-year Innovation Pilot Program. The FY 2021-22 appropriation clause for S.B. 21-106 added funds to expand the High School Innovative Learning Pilot Program. However, the fiscal note indicated that most of the additional impact of the bill in FY 2022-23 in the Department was due to the new Fourth-year Innovation Pilot Program. In light of this, the staff recommendation creates a new line item for the Fourth-year program and places funding in the line item consistent with the fiscal note for S.B. 21-106.

The High School Innovative Learning Pilot Program created in S.B. 19-216 (High School Innovative Learning Pilot) authorizes local education providers may propose an innovative learning plan that permits high school students to participate in innovative learning opportunities prior to graduation. Providers that the Department selects to participate in the pilot program may count students participating in those opportunities as full-time students for school finance purposes, regardless of the actual amount of instructional time or contact hours for which the student is enrolled. The program was funded for several years at between \$127,000 and \$130,000. For FY 2021-22, S.B. 21-106 (Concerning Successful High School Transitions) appropriated an additional \$220,115 General Fund and 0.3 FTE to expand and strengthen the program, which is operated by a nonprofit.

The Fourth-year Innovation Pilot Program was created in S.B. 21-106 (Concerning Successful High School Transitions). The program was created in the Department of Higher Education, but the Department of Education has related statutory responsibilities. The program provides state funding for low-income students who graduate early from high school to use for postsecondary education tuition and fees and also provides incentives to the local education providers (LEPs) that graduate these students early. The Department of Education will distribute these incentives beginning in FY 2022-23. The second year impact of S.B. 21-106 in the Department of Education is primarily due to this new program.

## → SI STATE NUTRITION PROGRAM ADJUSTMENTS

*REQUEST:* The Department requested:

- A continuation appropriation of \$2,328,105 total funds (including \$1,477,374 General Fund General Fund and \$850,742 cash funds from the State Education Fund) for the Child Nutrition School Lunch Protection Program for FY 2022-23, with no restoration of \$550,000 General Fund reduced from the program in FY 2021-22.
- A continuation appropriation of \$1,150,000 cash funds from the Start Smart Nutrition Program Fund for the Start Smart Nutrition Program, with no restoration of a previously-provided \$900,000 General Fund deposit into the Fund.

*RECOMMENDATION:* Staff recommends:

- Partially restoring a FY 2021-22 reduction for the School Lunch Protection Program by approving an appropriation that is \$250,000 General Fund above the FY 2021-22 level. This will provide a total appropriation of \$2,578,105, including \$1,727,374 General Fund and \$850,742 cash funds from the State Education Fund. The adjustment for FY 2022-23, like the adjustment for FY 2021-22, is to better align the appropriation with anticipated expenditures. The Department is estimating FY 2022-23 expenditures at \$2,343,689, including reimbursements and up to 2.0 percent in administrative costs. Based on those estimates, the staff recommendation, for \$2,578,105 total funds would leave \$234,416 (10.0 percent) available to accommodate potential growth in expenditures.
- Maintaining funding for the Start Smart Nutrition Program at \$1,150,000 cash funds from the Start Smart Nutrition Program Fund, as requested for FY 2022-23, with no new General Fund contribution to the Smart Start Nutrition Program Fund. There is currently a sufficient fund balance in the Smart Start Nutrition Program Fund to sustain the program in FY 2022-23 at pre-pandemic levels. However, if programs return to pre-pandemic operations in FY 2022-23, staff anticipates that a General Fund deposit into the fund will be required in FY 2023-24, once the current fund balance in the Start Smart Nutrition Program Fund is reduced.

*ANALYSIS:*

*Background - Nutrition Programs:* The National School Lunch Program provides low cost or free meals (breakfast, lunch, and after school snacks) to children. Public or non-profit private schools and residential childcare institutions that participate in the program receive federal cash subsidies and donated commodities from the U.S. Department of Agriculture for each meal served. In return, they must serve meals that meet federal nutrition requirements, and they must offer free or reduced price meals to eligible children based on the following eligibility criteria:

- *Free meals:* Families with incomes below 130% of the federal poverty level (e.g., \$34,450 for a family of four in FY 2021-22) are eligible.
- *Reduced price meals:* Families with incomes between 130% and 185% of the federal poverty level (e.g., between \$34,450 and \$49,025 for a family of four in FY 2021-22) are eligible.

Federal per meal reimbursements differ depending on whether the meal was served to a child who is eligible for free, reduced, or "full" price meals. For example, for school breakfasts, most schools currently receive \$1.89 for each free meal served, \$1.59 for each reduced price meal served, and \$0.32 for each full price meal served. Absent other state funding, children receiving a reduced price meal would be charged the difference between the federal reimbursements for free and reduced price meals (e.g., \$0.30 per reduced price breakfast).

Under current law the State reimburses school districts for the difference between the cost of a free meal and a reduced price meal, through the Start Smart Nutrition Program for breakfasts and the Child Nutrition School Lunch Protection Program for lunches, so that students who are eligible for reduced price meals instead receive free meals.

In response to the Coronavirus pandemic, the federal government substantially increased access to federally-funded free meals. For FY 2020-21 and FY 2021-22, schools participating in the Summer Food Service Program (SFSP; through school year 2020-21) or the Seamless Summer Option (school year 2021-22) have been able to provide free meals to all students and be reimbursed at the higher summer food service program rate.<sup>9</sup> This has increased the number of students accessing free meals and has eliminated the need for Colorado to provide additional subsidies to make meals free for students who qualify for reduced price breakfast or lunch. As reflected in the table below, in October 2020 only 17 districts representing 36 schools were participating in the typical National School Lunch Program, and this figure had fallen to 3 districts representing 5 schools in October 2021.

According to Department staff, federal Department of Agricultural staff anticipate that federal nutrition programs will return to pre-pandemic operations for FY 2022-23, barring action by Congress. In light of this, staff is setting the FY 2022-23 budget for nutrition programs as though the State will once again be providing state nutrition subsidies in FY 2022-23, and as though pre-pandemic trends in demand will once-again be relevant.

The following table provides Colorado eligibility and participation data related to the National School Lunch and Breakfast Programs and the Department's current estimate for FY 2022-23. As highlighted in the table, the Department's projections reflect long-term, modest declines in program eligibility, large declines for FY 2020-21 and FY 2021-22 in participation, and a partial rebound in participation in FY 2022-23.

DATA CONCERNING NATIONAL SCHOOL LUNCH PROGRAM IN COLORADO					
	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE*	FY 22-23 ESTIMATE*
Children <i>eligible</i> for free meals	300,044	298,139	295,313	273,699	266,573
<i>Annual % Change</i>	-2.7%	-0.6%	-0.9%	-7.3%	-2.6%
Children <i>eligible</i> for reduced price meals	71,282	73,665	59,578	55,912	53,896
<i>Annual % Change</i>	0.3%	3.3%	-19.0%	-6.7%	-3.6%
Children eligible for free or reduced price meals	371,326	371,804	354,991	329,611	320,469
Percent of children eligible for <u>reduced price</u> meals who <i>participate</i> in <u>lunch</u> program	51.9%	52.9%	6.5%	8.3%	34.4%
Percent of children eligible for <u>reduced price</u> meals who <i>participate</i> in <u>breakfast</u> program	25.1%	25.6%	5.8%	8.3%	18.3%

\* Due to the pandemic, the USDA rolled out waivers/flexibilities for school districts to operate under Summer Food Service Program (SFSP) start of pandemic through SY20-21 and Seamless Summer Option (SSO) SY 21-22. These flexibilities allowed schools to serve meals for free to all students at a higher reimbursement rate.

FY 20-21 & FY 21-22 - Eligible counts are actuals from Oct 2020/2021 pupil count PreK-12

Student level participation data is not collected so a proxy measure is used to estimate the percent of children eligible for reduced price meals who participate in lunch/breakfast. This is done by using the reduced price enrollment of schools that participated in National

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[https://www.cde.state.co.us/nutrition/backtoplanning#:~:text=SFA%20that%20opt%20to%20participate,Service%20Program%20\(SFSP\)%20rate.&text=Meals%20served%20under%20the%20NSLP,lower%20NSLP%20and%20SBP%20rates.](https://www.cde.state.co.us/nutrition/backtoplanning#:~:text=SFA%20that%20opt%20to%20participate,Service%20Program%20(SFSP)%20rate.&text=Meals%20served%20under%20the%20NSLP,lower%20NSLP%20and%20SBP%20rates.)



DATA CONCERNING NATIONAL SCHOOL LUNCH PROGRAM IN COLORADO

	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE*	FY 22-23 ESTIMATE*
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School Lunch Program (NSLP) or School Breakfast Program (SBP) in October 2020 and 2021. Due to the pandemic, most schools were operating under SFSP in FY 20-21 and SSO in FY 21-22 and therefore not included in this calculation. If a participating NSLP site is not in the October Count, reduced price enrollment was taken from their October meal claim.

FY 22-23 - a 5yr average of annual enrollment change % was applied to the estimate

In October 2020, 17 districts representing 36 schools participated in NSLP and 15 districts representing 33 schools participated in SBP.

In October 2021, 3 districts representing 5 schools participated in NSLP and SBP.

*Child Nutrition School Lunch Protection Program:* Pursuant to S.B. 08-123 [Section 22-82.9-101 et seq., C.R.S.], the Child Nutrition School Lunch Protection Program provides state funding to reimburse school districts for each lunch served to a child in pre-kindergarten through twelfth grade who is eligible for a reduced price meal. Using the same data collection system that is used to claim federal meal reimbursements, the Department calculates the amount of state funding each district is eligible to receive through this program based on the number of lunches served to eligible children.

The General Assembly has expanded the program multiple times since its creation in S.B. 08-123 (Child Nutrition School Lunch Protection).

- In FY 2008-09, the program only applied to students in kindergarten through second grade.
- In 2009, S.B. 09-133 (Early Childhood Education Services Free Lunch) expanded the program to include students in state-subsidized early education (pre-kindergarten) programs, thereby including students from pre-K through second grade.
- Starting in FY 2014-15, H.B. 14-1156 (Eligibility Age School Lunch Protection Program) expanded the program to include grades three through five.
- Beginning in FY 2018-19, S.B. 18-013 (Expand Child Nutrition School Lunch Protection Act) further expanded the program to include grades six through eight.
- Finally, starting in FY 2019-20, H.B. 19-1171 (Expand Child Nutrition School Lunch Protection Act) expands the program to include grades nine through twelve. As a result, the program now applies to all grades from pre-K through twelve.

The following table provides data related to districts’ school lunch programs and the Child Nutrition School Lunch Protection Program. Expansion of the program over the past several years increased both the cost of the program and the share of reduced-price meals that are eligible for reimbursement through FY 2018-19 prior to the impact of the COVID-19 pandemic. Participation and expenditures decreased in FY 2019-20, presumably as a result of school closures related to COVID-19, and, as described above, federal policy changes associated with the COVID-19 pandemic have allowed schools to access summer nutrition programs during the school year, dramatically decreasing district participation in the standard school lunch program and the costs of the Child Nutrition School Lunch Protection Program. The Department expects federal programs to return to pre-pandemic rules in FY 2022-23 and that current flexibilities and waivers will cease, barring changes in federal law. State cost estimates for FY 2022-23 are therefore based on the pre-pandemic trend, which incorporates a 3.6 percent five year average decrease in decline for eligibility for reduced price lunch, but also assumes that demand for the regular program, and associated state subsidies, will rebound.

DATA CONCERNING DISTRICTS' SCHOOL LUNCH PROGRAMS AND THE CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM					
	FY 18-19** ACTUAL	FY 19-20*** ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE	FY 22-23 ESTIMATE
Total number of reduced priced lunches served (all grade levels)	6,078,032	4,872,415	22,896	9,573	5,859,223
Number of above meals for which state reimbursement is available	5,137,719	4,849,843	22,264	9,573	5,859,223
Estimated number of students who benefit from Child Nutrition School Lunch Protection Program subsidy	31,852	39,360	1,963	57	30,705
Child Nutrition School Lunch Protection Program Expenditures (including administration costs of up to 2.0 percent)	\$2,099,631	\$1,992,819	\$22,528	\$3,829	\$2,343,689
<i>Annual percent change</i>	<i>36.3%</i>	<i>(5.7%)</i>	<i>(98.8%)</i>	<i>(83.0%)</i>	<i>61,108.9%</i>

FY 20-21 and FY 21-22 - Reduced meals were totaled for the entire school year for schools participating in NSLP. However, the majority of schools operated SFSP in FY20-21 and SSO in FY21-22 with the flexibility of serving all meals for free. FY20-21 Admin costs are included in the Child Nutrition School Lunch Protection Program Expenditures. FY21-22 - no admin costs included at this time.

As a reference, in October 2020, 17 districts representing 36 schools participated in NSLP and in October 2021, only 3 districts representing 5 schools participated in NSLP.

As of December 2021, only 4 schools were participating in NSLP. Estimate for FY 21-22 - 57 students x 168 days

FY 22-23 Estimate - based on the assumption that the USDA's flexibilities and waivers will cease in SY 22-23, FY 18-19 data is being used with a - 3.6% 5yr average decrease due to the drop in Reduced-Price eligibility.

\* Note: HB 14-1156 Eligibility Age for the School Lunch Protection Program expanded the Program from PK-2nd grade to PK-5th grade.

\*\*Note: SB 18-013 Expanded School Lunch Protection Program from grades PreK- 5th grade to PreK-8th grade.

C.R.S. 22-82.9-105 Program Funding - Appropriation allows the department to expend not more than two percent of the moneys annually appropriated for the program to offset the direct and indirect costs incurred by the department in implementing the program pursuant to the article.

As amended by H.B. 19-1171, the act requires the General Assembly to make an annual appropriation in the Long Bill to “allow school food authorities to provide lunches at no charge for children in state-subsidized early childhood education programs administered by public schools or in kindergarten through twelfth grade, participating in the school lunch program, who would otherwise be required to pay a reduced price for lunch” (see Sec. 22-82.9-105 (1), C.R.S.). Prior to H.B. 19-1171, the statute had specified a necessary range of appropriations for each year. However, H.B. 19-1171 eliminated the specific ranges and simply requires the General Assembly to appropriate funds sufficient to cover the program’s costs.

While the Department is anticipating a rebound in expenditures for FY 2022-23, the staff recommendation would still leave a “buffer” of nearly \$235,000 to accommodate higher-than-expected participation in FY 2022-23.

*Start Smart Nutrition Program:* Pursuant to S.B. 07-059 [Section 22-82.7-101 et seq., C.R.S.], the Start Smart Nutrition Program provides state funding to reimburse school districts for each breakfast served to a child eligible for a reduced price meal. Using the same data collection system that is used to claim federal meal reimbursements, the Department calculates the amount of state funding each district is eligible to receive through the Start Smart Nutrition Program based on the number of breakfasts served to children eligible for reduce price meals. The cost of the Program is driven by three factors:

- The number of districts and schools that provide a school breakfast program.
- The number of children who are eligible for reduced price meals.
- The number of eligible children who participate in school breakfast programs.

Prior to FY 2021-22, the annual appropriation for the program consisted of two line items: (1) the Start Smart Nutrition Program Fund line item appropriated General Fund into the program’s cash fund; and (2) the Start Smart Nutrition Program line item appropriated from the cash fund to support the program’s expenditures. In years where the General Assembly appropriated General Fund into the cash fund, the second line item included both reappropriated funds (reflecting the money appropriated as General Fund in that year) and cash funds from the fund balance. The FY 2020-21 appropriation included \$900,000 General Fund appropriated into the cash fund and a total of \$1,150,000 appropriated out of the cash fund to support the program.

As described above, changes in federal school nutrition policy have dramatically decreased the program’s expenditures in FY 2020-21 and FY 2021-22. As a result of those changes, Start Smart Nutrition Program expenditures have declined from more than \$900,000 in FY 2018-19 to below \$5,000 in actual FY 2020-21 and estimated FY 2021-22.

DATA CONCERNING DISTRICTS' SCHOOL BREAKFAST PROGRAMS AND THE START SMART NUTRITION PROGRAM					
	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE*	FY 22-23 ESTIMATE*
Number of <i>school districts</i> that offer a school breakfast program	169	168	15	3	169
Number of <i>schools</i> that offer a school breakfast program	1,502	1,481	33	5	1,502
Number of reduced price breakfasts served (and reimbursed by State)	2,946,779	2,353,644	9,078	6,453	2,840,695
Estimated number of students who benefit from Start Smart subsidy	17,875	19,523	710	38	17,232
Start Smart expenditures*	\$902,938	\$721,450	\$4,856	\$1,936	\$852,208
<i>Annual percent change</i>	<i>(7.1%)</i>	<i>(20.1%)</i>	<i>(99.3%)</i>	<i>(60.1%)</i>	<i>43,919.0%</i>

As a result of the sharp decline in program use in FY 2020-21 and FY 2021-22, the Department projects that the program’s cash fund will end FY 2021-22 with a balance of more than \$1.4 million (see table below). Thus, even if Start Smart expenditures rebound to over \$852,000 in FY 2022-23, as the Department projects, staff expects the cash fund to have more than enough fund balance to support the entire program for FY 2022-23, eliminating the need for any General Fund appropriation. Staff anticipates that a General Fund appropriation will be needed in FY 2023-24, if federal programs return to pre-pandemic operations, as currently anticipated.

START SMART NUTRITION PROGRAM FUND					
	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE	FY 22-23 ESTIMATE
Beginning Fund Balance	\$327,405	\$348,490	\$546,554	\$1,450,371	\$1,454,132
General Fund Appropriation to the Cash Fund	900,000	900,000	900,000	0	0
Interest Earnings	19,063	19,514	14,225	14,225	14,225
Unrealized Gain/Loss	6,826	0	0	0	0
Program Expenditures	<u>(902,938)</u>	<u>(721,450)</u>	<u>(10,464)</u>	<u>(10,464)</u>	<u>(10,464)</u>
<b>Ending Fund Balance</b>	<b>\$348,490</b>	<b>\$546,554</b>	<b>\$1,459,190</b>	<b>\$1,454,132</b>	<b>\$1,457,893</b>

START SMART NUTRITION PROGRAM FUND					
	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE	FY 22-23 ESTIMATE
Spending Authority (Annual Appropriation from the Cash Fund)	\$1,300,000	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000
Appropriation Exceeds/(Falls Short of) Expenditures	\$397,062	\$428,550	\$1,114,508	\$409,543	\$409,543

## LINE ITEM DETAIL - ASSISTANCE TO PUBLIC SCHOOLS

### (C) GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE

#### (I) HEALTH AND NUTRITION

*Background Information - Federal School Lunch Program:* The National School Lunch Program provides low cost or free meals (breakfast, lunch, and after school snacks) to children. Public or non-profit private schools and residential childcare institutions that participate in the program receive federal cash subsidies and donated commodities from the U.S. Department of Agriculture for each meal served. In return, they must serve meals that meet federal nutrition requirements, and they must offer free or reduced price meals to eligible children based on the following eligibility criteria:

- *Free* meals: Families with incomes below 130% of the federal poverty level (e.g., \$34,450 for a family of four in FY 2021-22) are eligible.
- *Reduced price* meals: Families with incomes between 130% and 185% of the federal poverty level (e.g., between \$34,450 and \$49,025 for a family of four in FY 2021-22) are eligible.

Federal per meal reimbursements differ depending on whether the meal was served to a child who is eligible for free, reduced, or "full" price meals. For example, for school breakfasts, most schools currently receive \$1.89 for each free meal served, \$1.59 for each reduced price meal served, and \$0.32 for each full price meal served. Absent other state funding, children receiving a reduced price meal would be charged the difference between the federal reimbursements for free and reduced price meals (e.g., \$0.30 per reduced price breakfast). However, under current law the State reimburses school districts for that difference (through the Start Smart Nutrition Program for breakfasts and the Child Nutrition School Lunch Protection Program for lunches, both of which are discussed in the line item detail below).

In Colorado, the Department of Education administers a multitude of school nutrition programs, the largest being the National School Lunch and Breakfast Program, and operates the programs through agreements with local school food authorities (usually school districts). Families are asked to complete a meal application to determine eligibility for free or reduced price meals. This information is confidential and is not shared with any other state or local agencies unless allowed by federal regulation. In FY 2021-22, per the October 1 pupil count, a total of 273,699 children were eligible for free meals, and another 55,912 children were eligible for reduced price meals. Under current law, the percentage of students who are eligible for *free* meals is used as a factor to determine the level of per pupil funding for each school district, so districts have had a financial incentive to encourage families to complete these forms even if they do not plan to participate in the school's lunch or breakfast program.

As described above, in response to the Coronavirus pandemic, the federal government substantially increased access to free meals. For FY 2020-21 and FY 2021-22, schools participating in the Summer Food Service Program (SFSP; through school year 2020-21) or the Seamless Summer Option (school year 2021-22) have been able to provide free meals to all students at any school site and be reimbursed at the higher summer food service program rate.<sup>10</sup> This has increased the number of students accessing free meals and has eliminated the need for Colorado to provide additional subsidies to make meals free for students who qualify for reduced price breakfast or lunch. In October 2020 only 17 districts representing 36 schools were participating in the typical National School Lunch Program, and this figure had fallen to 3 districts representing 5 schools in October 2021. This change has also reduced the quality of data on eligibility for free and reduced-price meals, since students have not been required to file paperwork to receive subsidized meals.

According to Department staff, federal Department of Agricultural staff anticipate that federal nutrition programs will return to pre-pandemic operations for FY 2022-23, barring action by Congress.

FEDERAL NUTRITION PROGRAMS

This line item reflects (for informational purposes) all federal funding that is available for nutrition programs. The federal funds and a small amount of General Fund included in this line item support 9.0 FTE who administer the various state and federal nutrition programs. It is staff’s understanding that the state funding in this line item is required to comply with a federal maintenance of effort requirement associated with these federal funds. With the implementation of the Breakfast After the Bell Program (created in H.B. 13-1006 and discussed below), the federal grant reflected in this line item also includes the federal funds associated with Breakfast After the Bell.

*STATUTORY AUTHORITY:* Federal nutrition program statutes.

*REQUEST:* The Department requests a continuation appropriation of \$156,726,079 total funds (including \$99,803 General Fund and \$156,626,276 federal funds) and 9.0 FTE. The request includes an increase of \$41,199 (including \$1,735 General Fund) to annualize FY 2021-22 salary survey and \$6,189 total funds (including \$237 General Fund) to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* The staff recommendation is reflected in the table below. It reflects Committee common policy for the annualization of prior year budget actions and legislation, which match the Department's request.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, FEDERAL NUTRITION PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						

<sup>10</sup> [https://www.cde.state.co.us/nutrition/backtoplanning#:~:text=SFAs%20that%20opt%20to%20participate,Service%20Program%20\(SFSP\)%20rate.&text=Meals%20served%20under%20the%20NSLP,lower%20NSLP%20and%20SBP%20rates.](https://www.cde.state.co.us/nutrition/backtoplanning#:~:text=SFAs%20that%20opt%20to%20participate,Service%20Program%20(SFSP)%20rate.&text=Meals%20served%20under%20the%20NSLP,lower%20NSLP%20and%20SBP%20rates.)

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, FEDERAL NUTRITION PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 Appropriation	\$156,678,691	\$97,831	\$0	\$0	\$156,580,860	9.0
<b>TOTAL</b>	<b>\$156,678,691</b>	<b>\$97,831</b>	<b>\$0</b>	<b>\$0</b>	<b>\$156,580,860</b>	<b>9.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$156,678,691	\$97,831	\$0	\$0	\$156,580,860	9.0
Annualize prior year budget actions	41,199	1,735	0	0	39,464	0.0
Annualize prior year legislation	6,189	237	0	0	5,952	0.0
<b>TOTAL</b>	<b>\$156,726,079</b>	<b>\$99,803</b>	<b>\$0</b>	<b>\$0</b>	<b>\$156,626,276</b>	<b>9.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$47,388</b>	<b>\$1,972</b>	<b>\$0</b>	<b>\$0</b>	<b>\$45,416</b>	<b>0.0</b>
Percentage Change	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$156,726,079</b>	<b>\$99,803</b>	<b>\$0</b>	<b>\$0</b>	<b>\$156,626,276</b>	<b>9.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Staff notes that the federal funding in this line item has not been adjusted regularly. In response to a staff question, the Department indicated that FY 2021-22 federal receipts are estimated to be \$401.7 million (\$245.1 million above the figure in the FY 2021-22 Long Bill) due to the impact of the Seamless Summer Option, which is providing free meals for a much larger share of the student population. It also projected that FY 2022-23 receipts could be as high as \$230.6 million (\$74.0 million above the estimate currently in this line item and \$44.5 million above the FY 2018-19 pre-pandemic actual expenditures). However, *given the substantial uncertainty about federal nutrition programs in FY 2022-23, staff is not recommending an informational funds adjustment in this line item at this time.*

### STATE MATCH FOR FEDERAL SCHOOL LUNCH PROGRAM

Under federal law, states must comply with a maintenance of effort (MOE) requirement in order to receive a portion of federal funds available through the National School Lunch Program. Colorado must comply with a \$2,472,644 MOE requirement.

Pursuant to S.B. 01-129, statute requires the General Assembly to appropriate by separate line item an amount to comply with the MOE requirement for National School Lunch Program [see Section 22-54-123, C.R.S.]. The state matching funds are allocated by the Department among participating school districts. Districts may only use funds provided by this line item for the school lunch program, and districts that have previously used their own general fund moneys to subsidize school lunch service are not allowed to use moneys received from this line item to supplant that level of subsidy. Senate Bill 01-129 included an appropriation of \$2,472,644 from the State Public School Fund for FY 2001-02, and the General Assembly has appropriated the same amount annually in subsequent fiscal years. Subsequently, the federal government has indicated that states are required to meet the MOE requirement each school year as a condition of the state's receipt of federal "general cash assistance" funds, and the intent of this requirement is that a minimum amount of state revenues be provided to supplement the federal funds provided to schools to support the overall aim of the National School Lunch Program (which is to provide lunches to children in school). States are required to "ensure that State revenues, and State revenues only, can be shown to have been transferred into the school food service accounts of participating schools, or that school food service expenses have been borne by State revenues where these are to be counted in meeting the revenue match".

*STATUTORY AUTHORITY:* Section 22-54-123, C.R.S.

*REQUEST:* The Department requests continuation funding of \$2,472,644 cash funds from the State Public School Fund for FY 2022-23, unchanged from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends approving the Department’s request. Pursuant to federal law [Title 42, Chapter 13, Section 1756, Subsection (1) (a), U.S. Code] and the associated federal regulations [Title 7, Chapter II, Part 210, Subpart D, Section 210.17, Subsection (d), U.S. Code of Federal Regulations], in order to comply with the state revenue matching requirement, state money must be appropriated or used specifically for National School Lunch Program purposes (excluding state-level administrative expenses). Staff recommends continuing to reflect this appropriation as cash funds -- interest and investment income earned on the Public School (Permanent) Fund that is credited to the State Public School Fund.

## CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM

Pursuant to S.B. 08-123 [Section 22-82.9-101 et seq., C.R.S.], the Child Nutrition School Lunch Protection Program provides state funding to reimburse school districts for each lunch served to a child in pre-kindergarten through twelfth grade who is eligible for a reduced price meal. Using the same data collection system that is used to claim federal meal reimbursements, the Department calculates the amount of state funding each district is eligible to receive through this program based on the number of lunches served to eligible children.

The General Assembly has expanded the program multiple times since its creation in S.B. 08-123 (Child Nutrition School Lunch Protection).

- In FY 2008-09, the program only applied to students in kindergarten through second grade.
- In 2009, S.B. 09-133 (Early Childhood Education Services Free Lunch) expanded the program to include students in state-subsidized early education (pre-kindergarten) programs, thereby including students from pre-K through second grade.
- Starting in FY 2014-15, H.B. 14-1156 (Eligibility Age School Lunch Protection Program) expanded the program to include grades three through five.
- Beginning in FY 2018-19, S.B. 18-013 (Expand Child Nutrition School Lunch Protection Act) further expanded the program to include grades six through eight.
- Finally, starting in FY 2019-20, H.B. 19-1171 (Expand Child Nutrition School Lunch Protection Act) expands the program to include grades nine through twelve. As a result, the program now applies to all grades from pre-K through twelve.

As amended by H.B. 19-1171, the act requires the General Assembly to make an annual appropriation in the Long Bill to “allow school food authorities to provide lunches at no charge for children in state-subsidized early childhood education programs administered by public schools or in kindergarten through twelfth grade, participating in the school lunch program, who would otherwise be required to pay a reduced price for lunch” (see Sec. 22-82.9-105 (1), C.R.S.). Prior to H.B. 19-1171, the statute had specified a necessary range of appropriations for each year (e.g., between \$850,000 and \$2.5 million to support pre-K through fifth grade). However, H.B. 19-1171 eliminated the specific ranges and simply requires the General Assembly to appropriate funds sufficient to cover the program’s costs.

Expansion of the program increased both the cost of the program and the share of reduced-price meals that are eligible for reimbursement through FY 2018-19 prior to the impact of the COVID-19 pandemic. However, participation and expenditures decreased in FY 2019-20 as a result of school closures related to COVID-19. Expenditures fell significantly in 2020-21 and FY 2021-22 based on federal policy changes associated with the COVID-19 pandemic that have allowed schools to access summer nutrition programs during the school year. Based on this, the General Assembly reduced the appropriation for the program by \$550,000 General Fund in FY 2021-22. The Department currently expects participation and expenditures to rebound in FY 2022-23.

DATA CONCERNING DISTRICTS' SCHOOL LUNCH PROGRAMS AND THE CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM					
	FY 18-19** ACTUAL	FY 19-20*** ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE	FY 22-23 ESTIMATE
Total number of reduced priced lunches served (all grade levels)	6,078,032	4,872,415	22,896	9,573	5,859,223
Number of above meals for which state reimbursement is available	5,137,719	4,849,843	22,264	9,573	5,859,223
Estimated number of students who benefit from Child Nutrition School Lunch Protection Program subsidy	31,852	39,360	1,963	57	30,705
Child Nutrition School Lunch Protection Program Expenditures (including administration costs of up to 2.0 percent)	\$2,099,631	\$1,992,819	\$22,528	\$3,829	\$2,343,689
<i>Annual percent change</i>	<i>36.3%</i>	<i>(5.7%)</i>	<i>(98.8%)</i>	<i>(83.0%)</i>	<i>61,108.9%</i>

FY 20-21 and FY 21-22 - Reduced meals were totaled for the entire school year for schools participating in NSLP. However, the majority of schools operated SFSP in FY20-21 and SSO in FY21-22 with the flexibility of serving all meals for free. FY20-21 Admin costs are included in the Child Nutrition School Lunch Protection Program Expenditures. FY21-22 - no admin costs included at this time.

As a reference, in October 2020, 17 districts representing 36 schools participated in NSLP and in October 2021, only 3 districts representing 5 schools participated in NSLP.

As of December 2021, only 4 schools were participating in NSLP. Estimate for FY 21-22 - 57 students x 168 days

FY 22-23 Estimate - based on the assumption that the USDA's flexibilities and waivers will cease in SY 22-23, FY 18-19 data is being used with a - 3.6% 5yr average decrease due to the drop in Reduced-Price eligibility.

\* Note: HB 14-1156 Eligibility Age for the School Lunch Protection Program expanded the Program from PK-2nd grade to PK-5th grade.

\*\*Note: SB 18-013 Expanded School Lunch Protection Program from grades PreK- 5th grade to PreK-8th grade.

C.R.S. 22-82.9-105 Program Funding - Appropriation allows the department to expend not more than two percent of the moneys annually appropriated for the program to offset the direct and indirect costs incurred by the department in implementing the program pursuant to the article.

*STATUTORY AUTHORITY:* Section 22-82.9-101 et seq., C.R.S.

*REQUEST:* The Department requests continuation funding of \$2,328,105 total funds (including \$1,477,374 General Fund and \$850,742 cash funds from the State Education Fund) for FY 2022-23. This continues a reduction of \$550,000 General Fund applied in FY 2021-22 but no other adjustments.

*RECOMMENDATION:* The staff recommendation is included in the table below and incorporates adjustments discussed earlier in this section.



ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,328,105	\$1,477,374	\$850,731	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$2,328,105</b>	<b>\$1,477,374</b>	<b>\$850,731</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,328,105	\$1,477,374	\$850,731	\$0	\$0	0.0
SI School nutrition program adjustment	250,000	250,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$2,578,105</b>	<b>\$1,727,374</b>	<b>\$850,731</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	10.7%	16.9%	0.0%	n/a	n/a	n/a
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$2,328,105</b>	<b>\$1,477,374</b>	<b>\$850,731</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$250,000)	(\$250,000)	\$0	\$0	\$0	0.0

### START SMART NUTRITION PROGRAM FUND AND START SMART NUTRITION PROGRAM

Pursuant to S.B. 07-059 [Section 22-82.7-101 et seq., C.R.S.], the Start Smart Nutrition Program provides state funding to reimburse school districts for each breakfast served to a child eligible for a reduced price meal. Using the same data collection system that is used to claim federal meal reimbursements, the Department calculates the amount of state funding each district is eligible to receive through the Start Smart Nutrition Program based on the number of breakfasts served to children eligible for reduce price meals. The cost of the Program is driven by three factors:

- The number of districts and schools that provide a school breakfast program.
- The number of children who are eligible for reduced price meals.
- The number of eligible children who participate in school breakfast programs.

The following table provides data related to districts' school breakfast programs and the Start Smart Nutrition Program. As shown in the table and discussed above, participation and expenditures declined dramatically in FY 2020-21 and FY 2021-22 as a result of the COVID-19 pandemic and associated changes in federal policy. The Department's estimates for FY 2022-23 assume federal programs return to their pre-pandemic policies for FY 2022-23. However, due to very low expenditures in FY 2020-21 and FY 2021-22, there will be a sufficient fund balance in the Smart Start Nutrition Program Fund that there will not be a need for a General Fund appropriation to the Fund in FY 2022-23.

DATA CONCERNING DISTRICTS' SCHOOL BREAKFAST PROGRAMS AND THE START SMART NUTRITION PROGRAM					
	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE*	FY 22-23 ESTIMATE*
Number of <i>school districts</i> that offer a school breakfast program	169	168	15	3	169

DATA CONCERNING DISTRICTS' SCHOOL BREAKFAST PROGRAMS AND THE START SMART NUTRITION PROGRAM					
	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE*	FY 22-23 ESTIMATE*
Number of <i>schools</i> that offer a school breakfast program	1,502	1,481	33	5	1,502
Number of reduced price breakfasts served (and reimbursed by State)	2,946,779	2,353,644	9,078	6,453	2,840,695
Estimated number of students who benefit from Start Smart subsidy	17,875	19,523	710	38	17,232
Start Smart expenditures*	\$902,938	\$721,450	\$4,856	\$1,936	\$852,208
<i>Annual percent change</i>	<i>(7.1%)</i>	<i>(20.1%)</i>	<i>(99.3%)</i>	<i>(60.1%)</i>	<i>43,919.0%</i>

START SMART NUTRITION PROGRAM FUND					
	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE	FY 22-23 ESTIMATE
Beginning Fund Balance	\$327,405	\$348,490	\$546,554	\$1,450,371	\$1,454,132
General Fund Appropriation to the Cash Fund	900,000	900,000	900,000	0	0
Interest Earnings	19,063	19,514	14,225	14,225	14,225
Unrealized Gain/Loss	6,826	0	0	0	0
Program Expenditures	<u>(902,938)</u>	<u>(721,450)</u>	<u>(10,464)</u>	<u>(10,464)</u>	<u>(10,464)</u>
<b>Ending Fund Balance</b>	<b>\$348,490</b>	<b>\$546,554</b>	<b>\$1,459,190</b>	<b>\$1,454,132</b>	<b>\$1,457,893</b>
Spending Authority (Annual Appropriation from the Cash Fund)	\$1,300,000	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000
Appropriation Exceeds/(Falls Short of) Expenditures	\$397,062	\$428,550	\$1,114,508	\$409,543	\$409,543

*STATUTORY AUTHORITY:* Section 22-82.7-101 et seq., C.R.S.

*REQUEST:* The Department requests a continuing level of appropriation of \$1,150,000 cash funds from the Start Smart Nutrition Program Fund for FY 2022-23. The request continues an FY 2021-22 adjustment that eliminated a \$900,000 General Fund appropriation in light of the decline in demand for the program and reserves in the cash fund.

*RECOMMENDATION:* Staff recommends the request for a continuing level of appropriation of \$1,150,000 cash funds, with no General Fund deposit to into the cash fund.

## LOCAL SCHOOL FOOD PURCHASING PROGRAMS

This line item would support the following two grant programs created in H.B. 19-1132 (School Incentives to Use Colorado Food and Producers):

- The Colorado Food Products Purchasing Incentives Grant Program is intended to provide grants to encourage local education providers or residential child care centers to purchase Colorado grown, raised, and processed products for school meal programs. Grant recipients must participate in the National School Lunch Program. Authorizing up to \$500,000 in grants per year, the program will reimburse participants for the amount spent on Colorado grown, raised, and processed products, up to a maximum amount per reimbursement.
- The Local School Food Purchasing Technical Assistance and Education Grant Program is intended to promote Colorado grown, raised, and processed products to eligible school meal providers. Under the program, the Department is expected to contract with a

The bill provided an appropriation of \$168,942 General Fund and 0.3 FTE for FY 2019-20 to allow the Department to establish the programs and to begin contracting for the Local School Food Purchasing Technical Assistance and Education Grant Program in FY 2019-20 (grants under the Colorado Food Products Purchasing Incentives Grant Program were set to begin in FY 2020-21).

- The Final Legislative Council Staff Fiscal Note for H.B. 19-1132 anticipated a need for \$675,255 General Fund and 0.4 FTE to support these programs in FY 2020-21, representing an increase of \$506,313 General Fund (and not including an estimated \$5,251 for centrally appropriated line items associated with the 0.4 FTE).
- However, H.B. 20-1418 (School Finance) modified statute to delay implementation of the programs until FY 2021-22 as a budget balancing action.
- Consistent with the bill's original fiscal note, the FY 2021-22 Long Bill included an appropriation of \$675,255 General Fund and 0.4 FTE, and no additional delays or other legislative changes to the program were adopted during the 2021 legislative session.

*STATUTORY AUTHORITY:* Section 22-100-101 et. seq., C.R.S.

*REQUEST:* The Department requests a continuation amount of \$675,255 General Fund and 0.4 FTE.

*RECOMMENDATION:* Staff recommends a continuation amount of \$675,255 General Fund and 0.4 FTE.

## MENSTRUAL HYGIENE PRODUCT ACCESSIBILITY GRANT PROGRAM

Senate Bill 21-255 created the Menstrual Hygiene Product Accessibility Grant Program to provide menstrual hygiene products at no cost to students. Grant recipients must have at least 50.0 percent of students eligible for free or reduced price lunch. The bill requires the Department of Education to award grants in amounts that are proportionate to the number of students and restrooms in recipient schools, subject to available appropriation.

*STATUTORY AUTHORITY:* Section 22-2-147, C.R.S.

*REQUEST:* The Department requests a continuation amount of \$100,000 General Fund, consistent with the appropriation included in S.B. 21-255.

*RECOMMENDATION:* Staff recommends the request for \$100,000 General Fund for FY 2022-23.

## S.B. 97-101 PUBLIC SCHOOL HEALTH SERVICES

Pursuant to Section 25.5-5-318, C.R.S. (S.B. 97-101), school districts, boards of cooperative educational services (BOCES), and state K-12 educational institutions are authorized to be reimbursed through Medicaid for health care services<sup>11</sup> provided to Medicaid-eligible students. In order to do so,

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<sup>11</sup> Services for which districts may bill Medicaid include: targeted case management (e.g., time spent developing an individual education plan for a student eligible for special education services or a health care plan for a student with diabetes); direct services (e.g., providing services as mandated in a student's individual education

districts and BOCES must certify local expenditures on health care services in order to claim and receive federal Medicaid funding.

Districts are required to use the Medicaid funds received to provide student health care services. Each district is required to develop a local services plan that identifies the types of health services needed by students and the services it plans to provide. Districts spend the Medicaid funds for a variety of health-related purposes. The majority of funds are spent: providing nursing and other health clinic services; providing mental health services; providing speech, language, and vision services; providing physical and occupational therapy services; for health-related materials, equipment, and supplies; and conducting health insurance outreach activities (for Medicaid and CHP+).

The Department of Health Care Policy and Financing is responsible for the Medicaid billing aspects of the program, including developing regulations and administrative guidelines for submitting claims and contracting with individual districts. The Department of Education is responsible for providing technical assistance to districts in meeting administrative requirements and developing local service plans. Up to ten percent of the federal Medicaid funds that districts "earn" may be used to cover administrative costs incurred by the Department of Health Care Policy and Financing (DHCPF) and the Department of Education, and the remainder is paid directly to districts and BOCES for the provision of health care services.

The appropriations to DHCPF for this program include both the federal Medicaid funds (reflected as federal funds) and the local certified matching funds (reflected as cash funds). The total funds appropriated to DHCPF cover the administrative costs incurred by the DHCPF and the Department of Education, as well as actual costs of health care claims. Since FY 2006-07, the appropriation to the Department of Education has only reflected the federal Medicaid funds that are used by the Department of Education to administer the program.

*STATUTORY AUTHORITY:* Section 25.5-5-318, C.R.S.

*REQUEST:* The Department requests an appropriation of \$182,686 reappropriated funds and 1.4 FTE for FY 2022-23 for this line item. The request includes an increase of \$1,612 reappropriated funds to annualize the impact of FY 2021-22 salary survey and \$365 reappropriated funds to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends approving the request for \$182,686 reappropriated funds, which is consistent with Committee common policy. For the Committee’s information, the following table reflects the Department’s *total* anticipated costs (and the total anticipated transfer from HCPF) associated with this program for FY 2022-23, including both this line item and the centrally appropriated amounts associated with the program.

HCPF INTERAGENCY AGREEMENT	
LINE ITEM	FY 2022-23 STAFF REC.
S.B. 97-101 Public School Health Services	\$154,337
Indirect Costs (included in this line item)	28,349

plan); diagnostic services (e.g., a special education-related evaluation); and health encounters (e.g., a school nurse treating a student with a stomach ache).

HCPF INTERAGENCY AGREEMENT	
LINE ITEM	FY 2021-22 STAFF REC.
Health, Life, and Dental	3,696
Short-term Disability	\$39
AED	1,243
SAED	1,243
Salary Survey	2,436
<b>Total</b>	<b>\$191,731</b>

### BEHAVIORAL HEALTH CARE PROFESSIONAL MATCHING GRANT PROGRAM

The General Assembly added this line item (as the School Health Professionals Grant Program) to the FY 2015-16 Long Bill to support a matching grant program authorized in S.B. 14-215 (Disposition of Legal Marijuana Related Revenue). Pursuant to Sections 22-96-101 through 105, C.R.S., the program is intended to enhance the presence of school health professionals (often school nurses) in secondary schools throughout the State to facilitate better screening, education, and referral care for secondary school students with substance abuse and other behavioral health needs. Local education providers apply for grants under the program. As outlined in Section 22-96-103, C.R.S., the program is intended to provide funding for the following purposes:

- To increase the presence of school health professionals in secondary schools to provide behavioral health care to students who have mental health, substance use or misuse, or other behavioral health needs.
- To provide training and resources for school staff on the implementation of evidence-based programs for behavioral health education for all students.
- To allow school health professionals to connect students who need behavioral health care with services provided by community-based organizations for treatment and counseling.
- To provide behavioral health care services at recipient schools, including but not limited to screenings, counseling, therapy, referrals to community organizations, and training for students and staff on behavioral health issues.

In FY 2017-18, the General Assembly increased the appropriation by \$9,689,950 cash funds from the Marijuana Tax Cash Fund and 3.0 FTE (from \$2,280,833 and 1.0 FTE in FY 2016-17 to \$11,970,783 and 4.0 FTE in FY 2017-18). For FY 2019-20, S.B. 19-010 (Professional Behavioral Health Services for Schools) added \$3.0 million cash funds from the Marijuana Tax Cash Fund and 1.0 FTE, for a total appropriation of \$14,937,032 and 5.0 FTE in FY 2019-20. For FY 2020-21, the General Assembly reduced the appropriation by \$3.0 million as a budget balancing action, but \$3.0 million from the Marijuana Tax Cash Fund was restored in S.B. 21-268 (School Finance).

*STATUTORY AUTHORITY:* Sections 22-96-101 through 105, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$14,959,590 cash funds from the Marijuana Tax Cash Fund and 5.0 FTE for FY 2022-23. The request includes an increase of \$10,359 cash funds to annualize FY 2021-22 salary survey and includes an increase of \$1,202 to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends approving the request for an appropriation of \$14,959,590 cash funds from the Marijuana Tax Cash Fund and 5.0 FTE for FY 2022-23. The amount is calculated consistent with Committee common policy.

## MENTAL HEALTH EDUCATION RESOURCE BANK AND TECHNICAL ASSISTANCE

The General Assembly added this line item to the FY 2020-21 Long Bill to support the mental health education resource bank required by H.B. 19-1120 (Youth Mental Health Education and Suicide Prevention). With assistance from the Office of Suicide Prevention and the Suicide Prevention Commission in the Department of Public Health and Environment, the bill requires the Department to create and maintain the resource bank. The resources must be available to elementary and secondary schools free of charge and must be available in both English and Spanish.

In addition, upon request, the bill requires the Department to provide technical assistance to a school district, charter school, or board of cooperative services in designing age-appropriate curricula pertaining to mental health. The bill included an appropriation of \$116,550 General Fund and 0.9 FTE for the Department of Education for FY 2019-20, and this amount was reduced by \$69,842 and 0.3 FTE in FY 2020-21, consistent with the fiscal note for the bill.

*STATUTORY AUTHORITY:* Section 22-2-107.9, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$46,709 General Fund and 0.6 FTE for FY 2022-23.

*RECOMMENDATION:* Staff recommends the request for a continuation appropriation of \$46,709 General Fund and 0.6 FTE for FY 2022-23.

## K-5 SOCIAL AND EMOTIONAL HEALTH PILOT PROGRAM

The Department proposed to create this line item for FY 2020-21 to support the K-5 Social and Emotional Health Pilot Program created by H.B. 19-1017 (K-5 Social and Emotional Health). The program was intended to place additional school mental health professionals (including school counselors, school psychologists, and school social workers) in elementary or K-8 schools that have high poverty and high student needs. The bill authorized the pilot program for three years (FY 2020-21 through FY 2022-23) unless the General Assembly extended the program. House Bill 20-1418 (Public School Finance) delayed implementation as a budget balancing measure and included modifications, including extending the repeal date to July 1, 2033.

Under the program, the Department is required to select no more than ten pilot schools to participate (and may select fewer than ten schools based on available resources). The legislation requires participating schools to hire enough school mental health professionals to follow students as they advance through the school, with the intent that the school maintain a ratio of no more than 250 students per mental health professional. It also requires the Department to adopt rules for the program, to employ or contract with a pilot program coordinator, and to contract for preliminary and final program evaluations. The legislation authorizes appropriations for the program from the Marijuana Tax Cash Fund.

Although funding for the program was not included in the FY 2021-22 Long Bill, \$2,500,000 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE was added in S.B. 21-268 (Public School Finance), making this the first year of implementation.

*STATUTORY AUTHORITY:* Sections 22-102-101 through 108, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$2,500,000 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE for FY 2022-23.

*RECOMMENDATION:* Staff recommends the request for \$2,500,000 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE for FY 2022-23. Staff notes, however, that in response to Committee common questions, the Department indicated that it has concerns about its ability to implement this program for the FY 2021-22 fiscal year. As written, the program only allows grantees to use funds to hire school counselors, schools psychologists, or school social workers who already have a Colorado professional special service license and does not allow grantees to hire mental health professionals under a Temporary Educator Eligibility Authorization. Given workforce issues, grantees have expressed concerns in finding enough school mental health professionals and therefore may not be able to fully expend all grant funding. The Department indicates that if the professional special service license language was removed from the definition of a school mental health professional, it would not expect reversions. *In response to staff questions, the Department indicated that it is working with legislators to make this statutory change.*

## LINE ITEMS INCLUDED IN THE NUMBERS PAGES BECAUSE OF PRIOR YEAR FUNDING

### BREAKFAST AFTER THE BELL

The General Assembly added this line item to the FY 2014-15 Long Bill to support the Breakfast After the Bell program created in H.B. 13-1006. In FY 2014-15, the bill required schools where at least 80 percent of students qualify for free or reduced-price lunch to offer a free breakfast to every student enrolled in the school. Beginning in FY 2015-16, the program expanded to include all schools with at least 70 percent of students qualifying for free or reduced-price lunch. The program exempts schools in small rural districts with fewer than 1,000 total students. Schools may choose the method and time to offer breakfast, so long as it occurs after the first bell of the school day. Schools where at least 90 percent of students ride to bus to school may choose to offer breakfast on the bus rather than at school. Federal nutrition funds associated with the program are reflected in the Federal Nutrition Programs line item (discussed above). Beginning in FY 2021-22, the Department proposed, and the General Assembly approved, eliminating the small separate appropriation of state funds for this program, as the Department was able to absorb related costs in other Nutrition Program line items.

*STATUTORY AUTHORITY:* Sections 22-82.8-101 through 104, C.R.S.

*REQUEST/RECOMMENDATION:* The Department did not request, and staff does not recommend, funding for this line item.

## (II) CAPITAL CONSTRUCTION

*Background Information - Building Excellent Schools Today (B.E.S.T.) Program.* House Bill 08-1335 replaced the capital construction financial assistance programs that were established in response to the *Giardino* lawsuit with the B.E.S.T. program. The B.E.S.T. program was designed to increase the amount of state financial assistance provided and allow projects to be completed more quickly. Rather than relying on annual General Fund appropriations, the B.E.S.T. program is supported by royalty and rental income earned on state trust lands, interest earned on the Public School Fund, lottery proceeds, and recreational marijuana excise tax revenues. Current law annually credits the following funds to the Public School Capital Construction Assistance (PSCCA) Fund:

- 50 percent of the gross amount of revenues from income and mineral royalties derived from state public school lands, or more if required to make lease payments under the terms of lease-purchase agreements. Also, a portion of the interest and income earned on investment of the Public School (Permanent) Fund. Under S.B. 16-035 (The Public School Fund; Section 22-41-102 (3)(g), C.R.S.) interest and income earned on the Permanent Fund over and above the \$21.0 million already distributed under current law is deposited into the PSCCA Fund, up to a limit of \$41.0 million. (\$67.0 million total from State Land Board in FY 2020-21).
- Recreational marijuana excise tax revenues (\$40.0 million in FY 2020-21). Pursuant to H.B. 19-1055 (Public School Capital Construction Financial Assistance), statute credited *all* marijuana excise tax revenues to the PSCCA Fund (previous legislation had increased the share of excise taxes going to the PSCCA Fund from 50.0 percent to 90.0 percent in FY 2018-19). As a one-time adjustment, H.B. 20-1418 (School Finance) credited 50.0 percent of excise taxes to the fund in FY 2020-21 (ensuring it received a minimum of \$40.0 million) and diverted the remaining amount to the State Public School Fund as a budget balancing measure. All marijuana excise taxes are again credited to the PSCCA in FY 2021-22.
- Local matching moneys for COP projects (\$32.4 million in FY 2020-21).
- Lottery proceeds that would otherwise be transferred to the General Fund (\$7.6 million in FY 2020-21).
- Interest and investment income earned on the PSCCA Fund (\$3.8 million in FY 2020-21).

Money in the PSCCA Fund is subject to appropriation for: (a) direct and indirect administrative costs incurred by the PSCCA Division and Board (including the financial assistance priority assessment); (b) lease payments required for lease-purchase agreements; and (c) cash grants to support construction projects. Prior to FY 2014-15, money supporting cash grants was continuously appropriated to the Department.

House Bill 08-1335 created a PSCCA Board and Division within the Department of Education to administer the grant program. The PSCCA Board is required to:

- (a) establish public school facility construction guidelines for use in assessing and prioritizing public school capital construction needs;
- (b) conduct or contract for a financial assistance priority assessment of public school facilities throughout the state (originally published in 2010 and currently being updated);
- (c) prioritize financial assistance applications for eligible public school facility capital construction projects based on specified criteria; and



- (d) annually submit a prioritized list of projects recommended for financial assistance to the State Board.

Subject to State Board authorization, the PSCCA Board may provide financial assistance to applicants as matching grants or by instructing the State Treasurer to enter into lease-purchase agreements on behalf of the State to finance public school facility capital construction. The act limits the total amount of annual lease payments payable by the State in any fiscal year, and requires payments above specified limits to be made only from applicant matching moneys. The PSCCA Board awards financial assistance based on specified statutory criteria, as well as the results of the statewide assessment of public school facilities. The assessment covers building conditions and space requirements in all 178 school districts, charter schools, State Charter School Institute schools, boards of cooperative services, and the Colorado School for the Deaf and Blind.

In FY 2015-16, the General Assembly added significant funding and FTE to the Division of Public School Capital Construction Assistance to support the B.E.S.T. program. The increases included \$2.7 million cash funds in one-time funding to support a contract to update the program's priority assessment database and train program staff in facility assessment and \$509,311 cash funds and 6.0 FTE to add an in-house assessment team to continually update and maintain the program priority assessment database.

Recent legislative action includes the following:

- As part of budget balancing in 2020 related to the then-projected declines in state revenue, the School Finance Act (H.B. 20-1418) transferred \$100.0 million from the Public School Capital Construction Assistance Fund to the State Public School Fund effective July 1, 2020.
- With statewide revenues improving in 2021, the JBC sponsored S.B. 21-207 (Public School Capital Construction Assistance Fund), which requires the transfer of \$100.0 million from the Marijuana Tax Cash Fund on June 1, 2022 to the Public School Capital Construction Fund, effectively repaying the marijuana tax revenues transferred out of the BEST program in 2020. The bill also added a related one-time \$100.0 million appropriation for the BEST program for FY 2021-22.
- H.B. 20-1418 raised the cap on certificate of participation annual payments to \$125,000,000. Since half of this is expected to be covered through matching funds from school districts, the effective cap on annual payment of *state funds* is \$62,500,000.
- S.B. 21-207 added a \$10.0 million General Fund transfer for public school air quality improvement grants.

## DIVISION OF PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE

This line item supports the PSCCA Board and the Division of PSCA staff, including the staff added in FY 2015-16 to update and maintain the priority assessment and database.

*STATUTORY AUTHORITY:* Section 22-43.7-105, C.R.S.

*REQUEST:* The Department requests \$1,595,013 cash funds from the Public School Capital Construction Assistance Fund and 16.0 FTE for FY 2022-23. The request includes increases of \$75,524 and 1.0 FTE for Request R4 (Department Infrastructure), \$39,381 to annualize prior year salary survey, and \$4,570 to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* The staff recommendation is reflected in the table below is incorporates the staff recommendation for Request R4 and Committee common policy for other items. The only difference between the request and the recommendation is a small common policy difference for the R4 Department Infrastructure request. Note that the staff recommendation for R4 reflects the new position as a time-limited (two year - through FY 2023-24) position that may be extended depending upon legislative decisions and the revenue stream to the B.E.S.T. program.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, DIVISION OF PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,475,538	\$0	\$1,475,538	\$0	\$0	15.0
<b>TOTAL</b>	<b>\$1,475,538</b>	<b>\$0</b>	<b>\$1,475,538</b>	<b>\$0</b>	<b>\$0</b>	<b>15.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,475,538	\$0	\$1,475,538	\$0	\$0	15.0
R4 Departmental infrastructure	75,512	0	75,512	0	0	1.0
Annualize prior year budget actions	39,381	0	39,381	0	0	0.0
Annualize prior year legislation	4,570	0	4,570	0	0	0.0
<b>TOTAL</b>	<b>\$1,595,001</b>	<b>\$0</b>	<b>\$1,595,001</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$119,463</b>	<b>\$0</b>	<b>\$119,463</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
Percentage Change	8.1%	n/a	8.1%	n/a	n/a	6.7%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$1,595,013</b>	<b>\$0</b>	<b>\$1,595,013</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
Request Above/(Below) Recommendation	\$12	\$0	\$12	\$0	\$0	0.0

**PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD – LEASE PAYMENTS**

This line item provides spending authority to make payments as required by lease-purchase agreements. The General Assembly has repeatedly increased the authorized amounts of lease purchase payments for the program.

- Prior to FY 2016-17, statute capped annual total lease payments (including state and local revenues) at \$80.0 million and limited the State’s share to no more than \$40 million.
- Senate Bill 16-072 increased the cap on total lease payments to \$90.0 million (up to \$45 million state share) in FY 2016-17 and \$100.0 million (up to \$50 million state share) in FY 2017-18.
- House Bill 19-1055 (Public School Capital Construction Financial Assistance) further increased the cap to \$105.0 million in FY 2019-20 and \$110.0 million (\$55.0 million state share) in subsequent years.
- Most recently, H.B. 20-1418 (School Finance) increased the cap by \$15.0 million, to a total of \$125.0 million (\$62.5 million state share) in FY 2020-21 and subsequent years.

Pursuant to Section 22-43.7-104 (3), C.R.S., the use of any PSCCA Fund moneys to make lease payments required by lease-purchase agreements is subject to annual appropriation by the General Assembly.

*STATUTORY AUTHORITY:* Section 22-43.7-104 (3), C.R.S.

*REQUEST:* The Department requests a continuation appropriation \$125.0 million cash funds from the Public School Capital Construction Assistance Fund to support B.E.S.T. COP payments in FY 2022-23, with no change from the FY 2021-22 appropriation (as adjusted by H.B. 20-1418). The request aligns with the current cap on COP payments under statute.

*RECOMMENDATION:* Staff recommends approving the request, which aligns with the statutory cap on COP payments approved by the General Assembly during the 2020 Session. Staff's recommendation assumes that the General Assembly intends to provide the Department with the flexibility to support payments up to the statutory cap. Staff notes, however, that the Department has indicated that the program only anticipates \$93.3 million in total COP payments (including \$62.0 million in state funds and \$31.3 million in local funds). Given that statute effectively limits the state share of the COP payments to no more than 50.0 percent of the statutory cap (\$62.5 million in state funds based on a cap of \$125.0 million in total payments), it does not appear to be plausible that the program would reach the statutory cap of \$125 million in total payments.

Staff further recommends avoiding increases in the program's C.O.P. commitments in the absence of additional guaranteed revenue streams.

#### PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD – CASH GRANTS

The General Assembly added this line item to the FY 2014-15 Long Bill to appropriate funds to support the B.E.S.T. Program's cash grants. As discussed above, prior to FY 2014-15, moneys for B.E.S.T. cash grants were continuously appropriated to the Department. However, the enactment of S.B. 14-112 made the program's cash grants subject to annual appropriation by the General Assembly.

The FY 2019-20 Long Bill included an appropriation of \$85.0 million cash funds from the PSCCA Fund for cash grants. However, H.B. 19-1055 added \$50.0 million for FY 2019-20 (for a total appropriation of \$135.0 million). The 2019 bill also called for an appropriation of \$160.0 million for FY 2020-21. However, in response to the revenue challenges created by the pandemic, the General Assembly reduced that requirement by \$100.0 million and appropriated \$60.0 million for cash grants in FY 2020-21. With an improving revenue picture, S.B. 21-207 (Public School Capital Construction Assistance Fund), required the transfer of \$100.0 million from the Marijuana Tax Cash Fund on June 1, 2022 and provided a \$100.0 million appropriation, restoring the total appropriation to \$160.0 million for FY 2021-22.

*STATUTORY AUTHORITY:* Section 22-43.7-104, C.R.S.

*REQUEST:* The Department requests an appropriation of \$100,000,000 cash funds from the Public School Capital Construction Assistance Fund for FY 2022-23. This includes a reduction of \$60.0 million to partially eliminate the increased spending authority included in S.B. 21-207.

*RECOMMENDATION:* As discussed earlier in this packet, staff recommends a continuing appropriation of \$160,000,000 cash funds in the Long Bill, without the requested reduction, pending any adjustments required based on the March 2022 forecast for marijuana excise tax revenue. The figure in the Long Bill may also be adjusted in the appropriation clause of new legislation, if the General Assembly concurs with the Executive request to partially delay a transfer of \$100.0 million from the Marijuana

Tax Cash Fund to the Public School Capital Construction Assistance Fund that is currently scheduled to occur on June 1, 2022. As discussed earlier in this packet, staff recommends moving to a consistent methodology in which cash grant amounts are based on the estimate of unobligated revenue at the end of the prior fiscal year (FY 2021-22 for the FY 2022-23 budget).

## FINANCIAL ASSISTANCE PRIORITY ASSESSMENT

This line item provides the funding necessary to conduct the financial assistance priority assessment of public school facilities throughout the state as required by Section 22-43.7-108, C.R.S. Pursuant to Section 22-43.7-104 (3), C.R.S., subject to annual appropriation, the Department may expend moneys in the PSCCA Fund to pay the costs of contracting for the financial assistance priority assessment. The Department contracted with Parsons (an assessment, design, and construction consultant) for the original assessment. In FY 2015-16, the General Assembly provided an additional \$2.7 million in one-time funding to: (1) reconfigure and adjust the priority assessment database; and (2) train the new assessment staff added to the Division of Public School Capital Construction Assistance through FY 2015-16 R7.

*STATUTORY AUTHORITY:* Section 22-43.7-108, C.R.S.

*REQUEST:* The Department requests an appropriation of \$135,000 cash funds from the Public School Capital Construction Assistance Fund. The request continues a reduction of \$15,000 approved in FY 2021-22.

*RECOMMENDATION:* As discussed earlier in this packet, staff recommends an appropriation of \$150,000 cash funds, which restores the funding reduced in FY 2021-22.

## STATE AID FOR CHARTER SCHOOL FACILITIES

In 2001 (S.B. 01-129) the General Assembly created a new program to distribute State Education Fund moneys to charter schools for capital construction, providing that certain "qualified" charter schools will receive a flat amount of funding per pupil for capital construction expenditures. The amount that each charter school received per pupil was originally calculated as 130 percent of the minimum per pupil capital reserve amount that each district is required to budget; for FY 2001-02, qualified charter schools received \$322 per pupil. Thus, the amount of funding was originally required to increase each year based on the number of qualified charter schools, the number of pupils attending such schools, and inflationary increases in the minimum per pupil capital reserve amount.

Subsequently, the General Assembly modified this program in significant ways. First, eligibility for funding was modified. As currently enacted, the program allocates annual appropriations among charter schools on a per pupil basis, except that a qualified charter school does not include one that does not have capital construction costs, is operating in a district school facility that does not have capital construction costs, or is operating in a state facility and is not obligated to make lease payments.

Second, the amount appropriated for the program was modified. With the enactment of H.B. 14-1292 (Student Success Act), the General Assembly made the following changes to funding for the program:

- Increased the appropriation from the State Education Fund from \$7.0 million in FY 2013-14 to \$13.5 million in FY 2014-15 and required an increase to \$20.0 million in FY 2015-16 and subsequent years.
- Authorized additional funding for charter school capital construction from marijuana excise tax revenues. Beginning July 1, 2014, the bill directs the State Treasurer to deposit 12.5 percent of marijuana excise tax moneys deposited into the Public School Capital Construction Assistance Fund (PSCCAF) into the Charter School Facilities Assistance Account within the PSCCAF. Moneys in the account are subject to annual appropriation by the General Assembly. Consistent with the Committee’s policy to spend prior year marijuana revenues, the Department spends money deposited into the Charter School Facilities Assistance Account in the year *after* the money is collected.

In the 2019 Session, H.B. 19-1055 again changed the amounts available for this line item. The bill annually adjusts the amount available from each fund source based on statewide student enrollment in charter schools.

- For the State Education Fund, the bill adjusts the previous base (\$20.0 million per year) based on a comparison of charter school enrollment (as a percentage of statewide pupil enrollment) in the preceding budget year to the percentage of students that were enrolled in charter schools in the 2017-18 school year.
- For marijuana excise tax revenues, the bill continues to deposit a percentage of total marijuana excise tax revenues into the Charter School Facilities Assistance Account. However, the transfer is now based on the percentage of statewide student enrollment that was enrolled in charter schools in the previous school year.

House Bill 20-1418 changed the allocation of marijuana excise taxes for FY 2020-21 only. For that year, the bill deposited the first \$40.0 million into the Public School Capital Construction Assistance Fund (with a share going to the Charter Schools Facilities Account based on the calculations from H.B. 19-1055) and credited any excise taxes above that amount to the State Public School Fund.

*STATUTORY AUTHORITY:* Sections 22-54-124(3)(a)(IV)(C) and 22-43.7-104(2)(d)

*REQUEST:* The Department requests a continuing appropriation of \$31,526,047 cash funds (including \$22,829,962 from the State Education Fund and \$8,696,085 from the Charter School Facilities Assistance Account, originally from marijuana excise taxes).

*RECOMMENDATION:* Staff recommends approving an appropriation of \$41,918,403 based on current estimates of the revenues available based on the calculations created in H.B. 19-1055. The recommendation includes \$23,939,893 from the State Education Fund and \$17,978,510 from the Charter School Facilities Account (originating as Marijuana excise tax revenues).

**Staff requests permission to adjust that allocation from the Charter School Facilities Assistance Account** based on the March 2022 Revenue Forecast. The following table shows a history of per pupil funding amounts for this line item from FY 2005-06 through the FY 2022-23 recommendation.

STATE FUNDING FOR CHARTER SCHOOL CAPITAL CONSTRUCTION COSTS				
FISCAL YEAR	TOTAL APPROPRIATION	TOTAL FUNDING PER PUPIL FOR ELIGIBLE SCHOOLS <sup>a</sup>	STATE EDUCATION FUND APPROP.	DEDICATED MARIJUANA EXCISE TAX FUNDING <sup>c</sup>
2006-07	\$5,000,000	\$145.09	\$5,000,000	
2007-08	\$7,800,000	\$201.17	\$7,800,000	
2008-09 <sup>b</sup>	5,000,000	115.77	5,000,000	
2009-10	5,135,000	107.47	5,135,000	
2010-11	5,000,000	97.64	5,000,000	
2011-12	5,000,000	90.06	5,000,000	
2012-13	5,000,000	78.98	5,000,000	
2013-14	6,000,000	87.67	6,000,000	
2014-15	7,000,000	94.40	7,000,000	
2015-16	13,500,000	169.29	13,500,000	
2016-17	22,000,000	258.48	20,000,000	2,000,000
2017-18	25,000,000	263.18	20,000,000	5,000,000
2018-19	29,250,000	299.87	20,000,000	9,250,000
2019-20	28,607,917	278.85	20,656,559	7,951,358
2020-21	31,820,762	302.56	22,430,131	9,390,631
2021-22	31,526,047	291.85	22,829,962	8,696,085
2022-23 estimate	41,918,403	309.91	23,939,893	17,978,510

<sup>a</sup> These figures represent the amount that most eligible schools receive.

<sup>b</sup> Of the amount appropriated, \$135,000 was allocated to a charter school for the deaf.

<sup>c</sup> Based on estimate of 12.5 percent of marijuana excise tax revenues credited to the Public School Capital Construction Assistance Fund in the preceding fiscal year for FY 2016-17 through FY 2018-19. For FY 2019-20 and FY 2020-21, the percentage of marijuana excise tax collections (from the prior year) is based on the statewide charter school enrollment as a percentage of total student enrollment in the prior school year. For FY 2021-22 and FY 2022-23, based on percentage of charter school enrollment in the prior year, adjusted in FY 2020-21 to include spending from fund balance.

### (III) READING AND LITERACY

#### *Background – Early Literacy, H.B. 12-1238, and S.B. 19-199*

House Bill 12-1238 (READ Act) eliminated the Read-to-Achieve Program and replaced it with the Early Literacy Program. Current law provides two fund sources for the Early Literacy Program:

- \$34.0 million per year transferred from the State Education Fund to the Early Literacy Fund, beginning in FY 2014-15 (as increased by H.B. 14-1292 (Student Success Act) and H.B. 14-1298 (School Finance)).
- \$7.5 million (in FY 2020-21) appropriated directly from the Marijuana Tax Cash Fund to support the Early Literacy Competitive Grant Program. Prior to the enactment of H.B. 16-1408 (Cash Fund Allocations for Health-related Programs), these funds were from tobacco litigation settlement moneys that had previously supported the Read-to-Achieve Program. However, H.B. 16-1408 eliminated the transfer of tobacco settlement money to the Early Literacy Fund and instead directly supports the Early Literacy Competitive Grant Program with marijuana excise tax funds. House Bill 18-1393 (Effective Implementation of READ Act) increased the FY 2018-19 appropriation from the Marijuana Tax Cash Fund for the Early Literacy Competitive Grant Program from \$4.4 million provided in the Long Bill to \$5.5 million.

For FY 2014-15 through FY 2018-19, the READ Act directed the Department to:

- Provide *at least* \$4.0 million per year in competitive grants (H.B. 18-1393 amended this requirement from a requirement of \$4.0 million to *at least* \$4.0 million and added \$1.0 million to the program).
- Spend \$1.0 million per year on regional professional development provided by the Department.

- Utilize up to 1.0 percent of the total annual appropriation from the Early Literacy Fund to administer the program.
- Distribute any remaining funds as “per pupil intervention funding,” distributed to local education providers based on the number of students in each district identified as having significant reading deficiencies in the preceding school year.

Based on concerns about the pace of improvement in literacy outcomes, the General Assembly enacted S.B. 19-199 (READ Act Implementation Measures) to modify the uses of funds under the READ Act both by the Department and by local education providers that receive funds. The bill established additional reporting requirements for districts receiving funding under the READ Act as well as additional constraints on the eligible uses of funding. Along with the statutory changes, the bill changed the structure of funding under the READ Act for FY 2019-20 to reflect the new requirements for schools as well as the Department’s new responsibilities. Continuing the adjustments made for FY 2019-20 and FY 2020-21, the FY 2021-22 appropriation included the following cash funds appropriations:

- \$1,801,522 from the Early Literacy Fund and 12.0 FTE for the Department’s administration of the Early Literacy Program and the provision of technical assistance to local education providers under the bill.
- \$7,500,000 (including \$5,378,678 from the Marijuana Tax Cash Fund and \$2,121,322 from the Early Literacy Fund) for the Early Literacy Competitive Grant Program.
- \$2,702,557 from the Early Literacy Fund to support evidence based training provided to teachers by the Department. As adjusted by S.B. 19-199, current law Department to provide such training free of charge to teachers in districts that request the training.
- \$750,000 from the Early Literacy Fund to support an independent evaluation of the program and student outcomes under the program.
- \$500,000 from the Early Literacy Fund and 0.5 FTE to support a public information campaign on the importance of reading.
- \$26,261,551 from the Early Literacy Fund for per pupil intervention funding.

#### EARLY LITERACY PROGRAM ADMINISTRATION AND TECHNICAL SUPPORT

The General Assembly added this line item to the FY 2020-21 Long Bill to support Early Literacy Program administration, technical assistance, and monitoring activities under H.B. 12-1238 and S.B. 19-199. Prior to the enactment of S.B. 19-199, the General Assembly had supported the Department’s administrative costs in the appropriation for the Early Literacy Competitive Grant Program. However, S.B. 19-199 separated appropriations for program administration and technical assistance from the actual grant program.

*STATUTORY AUTHORITY:* Section 22-7-1210 (4)(d)(I), C.R.S.

*REQUEST:* The Department requests an appropriation of \$1,764,695 cash funds from the Early Literacy Fund and 12.0 FTE. The request includes an increase of \$29,725 cash funds to annualize FY 2021-22 salary survey, an increase of \$3,448 cash funds to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability), and a reduction of \$70,000 cash funds for the second-year impact of S.B. 21-151 (Literacy Curriculum Transparency).

*RECOMMENDATION:* The staff recommendation is reflected in the table below and is based on Committee common policy, which aligns with the request.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, EARLY LITERACY PROGRAM ADMINISTRATION AND TECHNICAL SUPPORT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,801,522	\$0	\$1,801,522	\$0	\$0	8.8
<b>TOTAL</b>	<b>\$1,801,522</b>	<b>\$0</b>	<b>\$1,801,522</b>	<b>\$0</b>	<b>\$0</b>	<b>8.8</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,801,522	\$0	\$1,801,522	\$0	\$0	8.8
Annualize prior year budget actions	29,725	0	29,725	0	0	0.0
Annualize prior year legislation	(66,552)	0	(66,552)	0	0	0.0
<b>TOTAL</b>	<b>\$1,764,695</b>	<b>\$0</b>	<b>\$1,764,695</b>	<b>\$0</b>	<b>\$0</b>	<b>8.8</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$36,827)</b>	<b>\$0</b>	<b>(\$36,827)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(2.0%)	0.0%	(2.0%)	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$1,764,695</b>	<b>\$0</b>	<b>\$1,764,695</b>	<b>\$0</b>	<b>\$0</b>	<b>8.8</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

### EARLY LITERACY COMPETITIVE GRANT PROGRAM

Created in FY 2013-14, this line item supports the Early Literacy Competitive Grant Program. Prior to FY 2019-20, this line item also included funding to support the Department’s costs for program administration and technical assistance provided to local education providers under the READ Act. As discussed above, those activities now fall under the Early Literacy Program Administration and Technical Support line item.

Senate Bill 19-199 appropriated \$7.5 million total funds (including \$2,121,322 cash funds from the Early Literacy Fund and \$5,378,678 cash funds from the Marijuana Tax Cash Fund) for the Early Literacy Competitive Grant Program in FY 2019-20, an increase of \$2.5 million above the \$5.0 million provided for competitive grants in FY 2018-19. The FY 2020-21 and FY 2021-22 appropriation continued that level of funding.

*STATUTORY AUTHORITY:* Sections 22-7-1210 (4)(d)(I)(C) and 22-7-1211, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$7,500,000 cash funds (including \$5,378,678 from the Marijuana Tax Cash Fund and \$2,121,322 from the Early Literacy Fund), with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends increasing the appropriation by \$1,000,000 from the Early Literacy Fund to a total of \$8,500,000 cash funds, based on an amount reduced in the Early Literacy Program Evidence Based Training Provided to Teachers line item. In previous years, the competitive grant recipients have shown stronger results and greater improvement in early literacy outcomes than education providers that did not receive the grants (but received per pupil intervention funds under the READ Act). In response to staff questions, the Department has



indicated that related work is currently underway. To determine if districts receiving grant funds have better results, a concordance between State Board approved READ Act assessments needs to be completed. The Department does not expect this to be available until the end of the summer.

### EARLY LITERACY PROGRAM EVIDENCE BASED TRAINING PROVIDED TO TEACHERS

The General Assembly added this line item to the FY 2020-21 Long Bill to support the evidence based training activities required by S.B. 19-199. By the start of the 2021-22 school year, the bill requires local education providers that receive funding through either the competitive grant program or per pupil intervention funding to ensure that all teachers employed to teach kindergarten through third grade completes (or has completed) evidence based training in teaching reading. As a result of the COVID-19 pandemic, the State Board of Education delayed that requirement until January 31, 2022, to allow additional time for teachers to receive the training. House Bill 21-1129 extended the deadline to fall 2022.

Statute requires the Department to provide evidence based training in reading instruction at no cost to local education providers that request such training. Senate Bill 19-199 appropriated \$2,702,557 cash funds from the Early Literacy Fund for this purpose for FY 2019-20 and continued that amount for FY 2020-21. The Long Bill included an appropriation of the same amount for FY 2021-22, as training activities were delayed by the pandemic. Actual expenditure data indicates that training expenditures were only \$18,965 in FY 2019-20 and \$611,091 in FY 2020-21.

The Department reports that, as of early February 2022, 8,072 K-3 teachers have met the training requirement, representing only about 351 percent of K-3 teachers. However, the Department reports that an additional 12,839 teachers have enrolled in the on-line course and 819 teachers have enrolled in the (virtual) face-to-face course. Based on those enrollments, roughly 92 percent of K-3 teachers have completed or are on track to complete the requirement.

Staff also notes that, to date, only 34 teachers have completed the requirement through another mechanism, including 25 that completed training using a different vendor approved by the Department

*STATUTORY AUTHORITY:* Section 22-7-1208 (6)(c), C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$2,702,557 cash funds from the Early Literacy Fund, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* **The staff recommendation for this line item is for \$1,702,557, which includes a reduction in this line item and an increase in the Grants line item to address the under expenditures in this line item.** Actual expenditures for this line item were far lower than originally anticipated, at \$18,965 in FY 2019-20 and \$611,091 in FY 2020-21. In response to staff questions, the Department noted that the teacher training provision was created prior to the pandemic and assumed a great deal of face to face training. The pandemic shifted the bulk of the training to virtual thus reducing costs below the original estimate. The Department also notes that tracking and record keeping of the training has created staffing burdens beyond what could be foreseen in the original planning, and it thus anticipates further staffing needs to support the training and tracking

requirements in the future. The Department has subsequently indicated that it believes \$1.0 million could be shifted without adverse impact.

## EARLY LITERACY PROGRAM EXTERNAL EVALUATION

The General Assembly added this line item to the FY 2020-21 Long Bill to support the external evaluation of the Early Literacy Program required by S.B. 19-199. No later than October 1, 2019, the bill required the Department to issue a request for proposals and contract for an independent evaluation of the use of per pupil intervention funding and the competitive grant program. The evaluation also has to include a multi-year evaluation to determine whether student outcomes meet the goals of the READ Act.

Senate Bill 19-199 appropriated \$750,000 cash funds from the Early Literacy Fund to support the evaluation costs in FY 2019-20. The Final Legislative Council Staff Fiscal Note for the bill assumed that amount would be ongoing in subsequent years.

The Department selected WestEd to perform the independent evaluation of whether grants to local education providers are successful in moving students' reading growth to the state standards and whether the providers' use of per pupil intervention funding and/or competitive grant program funding result in measurable progress in students' reading. The reports are available at the following link: <https://www.cde.state.co.us/coloradoliteracy/read-act-independent-evaluation-of-colorado-read>

*STATUTORY AUTHORITY:* Section 22-7-1209 (8)(a), C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$750,000 cash funds from the Early Literacy Fund, with no change from the FY 2020-21 appropriation.

*RECOMMENDATION:* Staff recommends approving the request for \$750,000 cash funds. Ongoing evaluation is important to assessing this program's effectiveness and adjustments that may be required.

## EARLY LITERACY PROGRAM PUBLIC INFORMATION CAMPAIGN

The General Assembly added this line item to the FY 2020-21 Long Bill to support the public information campaign required by S.B. 19-199. Beginning with FY 2019-20, the bill requires the Department to contract with an external entity to develop and implement a public information campaign related to the importance of reading and to highlight local education providers that are achieving success.

The bill appropriates \$500,000 cash funds from the Early Literacy Fund and 0.5 FTE to support the campaign in FY 2019-20. The Final Legislative Council Staff Fiscal Note for the bill assumed that amount would be ongoing in subsequent years.

The Department selected Cactus (a full-service marketing and research firm with a price agreement with the State) to research, develop, and implement the campaign in Spring of 2020. The campaign is underway (for more information see the campaign's website at: <https://readwithme.today/>).

*STATUTORY AUTHORITY:* Section 22-7-1209 (7), C.R.S.

*REQUEST:* The Department requests \$501,607 cash funds from the Early Literacy Fund and 0.5 FTE for FY 2022-23. The request includes an increase of \$1,439 cash funds to annualize prior year salary survey funding and \$167 to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends the request for \$501,607 cash funds. The calculation as requested is consistent with Committee common policy.

## EARLY LITERACY PROGRAM PER PUPIL INTERVENTION FUNDING

Created in FY 2014-15, this line item reflects funding to be distributed to local education providers based on the statutory formula for early literacy per pupil intervention funding. The FY 2013-14 Long Bill supported this line item with interest income earned on the Public School (Permanent) Fund transferred to the Early Literacy Fund. However, S.B. 13-260 (School Finance) eliminated the annual transfer of interest earned on the Permanent Fund and instead transferred \$16.0 million from the State Education Fund to the Early Literacy Fund to support the Early Literacy Program in FY 2013-14. The enactment of H.B. 14-1292 (Student Success Act) and H.B. 14-1298 (School Finance) increased the annual transfer from the State Education Fund to the Early Literacy Fund by \$18.0 million (for a total transfer of \$34.0 million) in FY 2014-15 and subsequent years.

The Department allocates per pupil intervention funding to local education providers based on the number of students identified with SRDs in the previous budget year. Section 22-7-1210.5, C.R.S., directs the distribution and use of per pupil intervention funds, including reporting requirements for local education providers that receive funding. Section 22-7-1210.5 (4), C.R.S., specifies the eligible uses of per pupil intervention funds.

The General Assembly appropriated more than \$33.2 million per year to this line item for FY 2014-15 through FY 2018-19 (all funding dedicated to early literacy that was not appropriated for program administration or the competitive grant program). The enactment of S.B. 19-199 shifted some funds previously appropriated for per pupil intervention funding to the uses outlined in the previous line items (additional funding for the competitive grant program, evidence based training for teachers, the external evaluation, and the public awareness campaign). Those shifts reduced the amount available for per pupil intervention funding to \$26,261,551 in FY 2019-20 (appropriated in S.B. 19-199).

*STATUTORY AUTHORITY:* Sections 22-7-1210 (4)(d)(I)(D) and 22-7-1210.5, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$26,261,551 cash funds from the Early Literacy Fund (transferred from the State Education Fund pursuant to Section 22-7-1210 (1) (d), C.R.S.) for FY 2022-23, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends approving the request. Staff recommends that the General Assembly continue to monitor results and student outcomes under the early literacy program (as modified by S.B. 19-199). Prior to the original requirements established in S.B. 19-199, student outcomes associated with per pupil intervention funding raised questions about local education providers' use of the funds and effectiveness of the program overall. The Department has indicated

to staff that it is seeing promising changes in activities in the field that related to the changes made in S.B. 19-199, and staff is hopeful that results will improve. In addition, staff notes that the COVID-19 pandemic has both delayed implementation of some of the requirements and likely added to challenges for struggling readers. Staff recommends that the Committee continue to monitor outcomes from this program and is hopeful that the external evaluation discussed above will support those efforts.

## EARLY LITERACY ASSESSMENT TOOL PROGRAM

The General Assembly added this line item to the FY 2014-15 Long Bill to provide ongoing support for the Early Literacy Assessment Tool (ELAT) Program originally created in H.B. 12-1345 (2012 School Finance Bill). The READ Act (H.B. 12-1238) requires public school teachers in kindergarten through third grade to administer an interim assessment to all students to determine whether children are on track to reach grade level reading proficiency. Students identified as significantly below grade level must take a diagnostic assessment to determine specific areas of need for reading improvement. Teachers then use the assessment data to develop a collaborative intervention plan (READ Plan) with the child's parents.

Associated with the early literacy assessment requirements in the READ Act, House Bill 12-1345 required the Department to issue a competitive request for proposals to procure an Early Literacy Assessment Tool (ELAT) for districts' use and appropriated \$3.0 million cash funds from the State Education Fund to procure the tool. For participating districts, the use of the ELAT defrays assessment costs that would otherwise be required by the READ Act; districts may choose between seven state-approved assessments for READ Act implementation (one of which is the ELAT) but must pay for tools other than the ELAT. The ELAT provision (Section 22-2-141, C.R.S.) requires the ELAT software to, at a minimum:

- Provide individualized assessments with immediate results.
- Store and analyze assessment results, recommend activities that are aligned with the assessment results, and assist in tracking student performance and identifying strategies to improve student performance.
- Provide student grouping recommendations based on the assessment scores and provide proposed lesson plans on a short-term cycle.
- Assist in generating and populating individualized plans to improve students' reading skills.

The Department transitioned from the diagnostic assessment that the state provided in FY 2013-14 ("Burst") to the "DIBELS Deep" diagnostic assessment in FY 2014-15 (the program used both assessments in FY 2014-15 but transitioned fully to DIBELS Deep in FY 2015-16). The Department contracted with Amplify to supply the ELAT for FY 2015-16 through FY 2017-18. Starting in FY 2018-19, the Department is contracting with both Amplify and Istation to provide two options for participating districts. Since its inception in FY 2013-14, participation has grown from 123 districts (plus the State Charter School Institute), covering 417 schools and approximately 90,500 students to 146 districts (plus the State charter School Institute), covering 643 schools and more than 133,000 students in FY 2020-21.

*STATUTORY AUTHORITY:* Section 22-2-141, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$2,997,072 cash funds from the State Education Fund, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends approving the request. Staff has previously noted that the program has continued to show promising results in terms of improving the percentage of students reading at benchmark levels in each applicable grade (kindergarten through third). In the past, staff included tables displaying results under the program in figure setting documents since the initiation of the program. However, those results were not available for the FY 2021-22 or FY 2022-23 document. In response to staff questions, the Department reported that the work necessary for this is currently underway. In order to make a determination of the impact of the grants, the Department needs to complete a concordance between the various State Board approved READ Act assessments. It currently anticipates that this will be available at the end of summer 2022.

## ADULT EDUCATION AND LITERACY GRANT PROGRAM

The General Assembly added this line item to the FY 2015-16 Long Bill to support the Adult Education and Literacy Grant Program created in H.B. 14-1085 (Adult Education and Literacy). The program provides funding to local education providers (including public and private schools, institutions of higher education, nonprofit community-based organizations, and other related agencies) that are members of workforce development partnerships that provide basic education to adults.

*STATUTORY AUTHORITY:* Section 22-10-104, C.R.S.

*REQUEST:* The Department requests \$973,273 General Fund and 1.0 FTE for FY 2022-23, including:

- Annualization of a one-time \$5.0 million appropriation in H.B. 21-1264 from the Workers, Employers, and Workforce Centers cash fund that originates as federal Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act (ARPA Funds).
- An increase of \$2,229 General Fund to annualize prior year salary survey.
- An increase of \$304 for the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends the request for \$973,273 General Fund. The calculation as requested is consistent with Committee common policy.

## (IV) PROFESSIONAL DEVELOPMENT AND INSTRUCTIONAL SUPPORT

### CONTENT SPECIALISTS

This line item provides funding to support five "content specialists" to provide leadership, guidance, and support for schools and school districts in specific content areas to positively impact student achievement: (1) mathematics; (2) science; (3) social studies (history, geography, civics, and economics); (4) arts (visual arts and music); and (5) achievement gaps.

During the 2019 Session, two bills added funding for this line item for FY 2019-20:

- H.B. 19-1192 (Inclusion of American Minorities in Teaching Civil Government) added an *ongoing* appropriation of \$37,495 cash funds from the State Education Fund.
- H.B. 19-1110 (Media Literacy) added a *one-time* appropriation of \$19,816 General Fund for FY 2019-20.

During the 2020 Session, H.B. 20-1032 (Timing K-12 Education Standards Review) adjusted the statutory timeline for the Department’s review of statewide academic content standards. Rather than reviewing all of the content standards at one time (previous statute would have required the next review by July 2024), the bill requires the Department to review one third of the standards by July 1, 2022, one third by July 1, 2024, and the final set by July 1, 2026. This modified the timing for additional appropriations required to support the content review.

*STATUTORY AUTHORITY:* Section 22-7-1005, C.R.S.

*REQUEST:* The Department requests an appropriation of \$546,536 cash funds from the State Education Fund and 5.0 FTE for FY 2022-23. The request includes the following changes from the FY 2021-22 appropriation:

- A decrease of \$4,888 General Fund and 0.1 FTE to annualize the one-time appropriation in H.B. 21-1200 (Revise Student Financial Literacy Standards).
- A decrease of \$131,515 General Fund to annualize temporary funding consistent with H.B. 20-1032 (Timing K-12 Education Standards Review).
- An increase of \$14,043 cash funds to annualize prior year salary survey.
- An increase of \$1,629 cash funds to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends the request for \$546,536 cash funds from the State Education Fund. The calculation as requested is consistent with Committee common policy.

## SCHOOL BULLYING PREVENTION AND EDUCATION CASH FUND

The General Assembly created this line item in the FY 2016-17 Long Bill to support the School Bullying Prevention and Education Grant Program originally created in H.B. 11-1254 (Bullying in Schools). House Bill 11-1254 authorized the receipt of gifts, grants, and donations to support the program but did not provide state funding, and the program did not receive any state funding prior to FY 2015-16.

House Bill 15-1367 (Retail Marijuana Taxes) included a contingent appropriation of \$2.0 million General Fund (from the Proposition AA Refund Account) into the School Bullying Prevention and Education Cash fund for FY 2015-16. The General Assembly continued to support the program in FY 2016-17 with an appropriation of \$900,000 cash funds from the Marijuana Tax Cash Fund into the School Bullying Prevention and Education Cash Fund; the appropriation included a one-time reduction (of \$1.1 million) from the \$2.0 million provided in FY 2015-16 to balance appropriations from the Marijuana Tax Cash Fund. Because the School Bullying Prevention and Education Cash Fund is continuously appropriated to the Department, a second appropriation out of the cash fund is not necessary.

Subject to available appropriation, statute requires the Department to provide grants to public schools and facility schools to support the implementation of evidence-based practices and policies to reduce the incidence of bullying. It also requires the Department to collaborate with the School Safety Resource Center, school districts, and others to research best practices and evidence-based practices to reduce bullying activity and to provide best practices and other resources on the Department's website.<sup>12</sup>

After the passage of Proposition BB in 2015, which approved the distribution of funds to the Bullying Prevention and Education Grant Program, the State Board of Education approved rules for the administration of the program in May 2016 establishing criteria for the review of applications. The Department limited grants to no more than \$40,000 per school per year for the first cohort of recipients and \$25,000 per school per year for the second cohort.

The program, operating on a three-year grant cycle, made the first grants in FY 2016-17.

- In the first year (FY 2016-17), 23 entities submitted applications for bullying prevention grants. The Department approved 17 applications, representing 14 school districts (including the Charter School Institute and the South Central BOCES) and 71 separate schools.
- The Department saw increased interest for the second cohort (beginning in FY 2019-20), receiving 29 applications representing 154 schools, with requests totaling \$10.8 million over the three-year grant cycle (relative to \$5.7 million projected to be available). The Department approved 22 applications, representing 20 local education agencies (LEAs) and 109 schools for the second cohort.

Under the program rules, grant recipients must use the funds to support evidence-based programs to reduce bullying activity and must report to the Department each year regarding the practices implemented, the number and grade levels of students served, the fidelity of implementation, and the grantees progress in achieving the goals of the grant.

In response to the revenue challenges associated with the COVID-19 pandemic, the General Assembly reduced the appropriation to the School Bullying Prevention Cash Fund to \$1.0 million from the Marijuana Tax Cash Fund for FY 2020-21, a reduction of \$1.0 million below the FY 2019-20 appropriation. Based on a FY 2021-22 Long Bill floor amendment and action by the conference committee on the Long Bill, funding was restored to \$2.0 million in FY 2021-22, including \$1.0 million from the General Fund and \$1.0 million cash funds from the Marijuana Tax Cash Fund.

*STATUTORY AUTHORITY:* Sections 22-93-101 through 106, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$2,000,000, including \$1,000,000 cash funds from the Marijuana Tax Cash Fund and \$1,000,000 General Fund to the School Bullying Prevention and Education Cash Fund for FY 2022-23, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends approving the request for continuation funding, which is consistent with the General Assembly's funding decision for FY 2021-22.

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<sup>12</sup> The Department's resources are available at: <http://www.cde.state.co.us/mtss/bullying/bestpractices>

## OFFICE OF DROPOUT PREVENTION AND STUDENT REENGAGEMENT

House Bill 09-1243 [Section 22-14-101 et. seq., C.R.S.] created the Office of Dropout Prevention and Student Reengagement to collaborate with local education providers to reduce student dropout rates and to increase graduation rates. The Office's duties include:

- Analysis of student data related to dropout rates, completion rates, truancy, suspension and expulsion rates, safety and discipline incidents, and student growth.
- Coordination of departmental efforts and initiatives to address dropout prevention, student reengagement, and adult education.
- Identification of best practices and strategies to reduce dropout rates and increase student engagement and reengagement.
- Securing and managing resources to fund services and supports.

The Department received a five-year competitive grant award of \$14.1 million through the U.S. Department of Education's High School Graduation Initiative Program to begin in FY 2010-11 (the Department spent the funds from FY 2010-11 through September 2016). The Department used these funds to partner with 54 high needs high schools to: develop sustainable, replicable models for dropout prevention and recovery; improve interim indicators; reduce the dropout rate; increase the student re-engagement rate; and increase the graduation rate for high school students.

Although the Office supports the administration and implementation of five separate programs,<sup>13</sup> the funding associated with four of those programs is reflected elsewhere in the budget. The funding reflected in this line item (\$3.0 million in FY 2021-22) supports two purposes:

- \$2.0 million cash funds from the Marijuana Tax Cash Fund and 1.2 FTE support the Student Reengagement Grant Program created in H.B. 09-1243, which provides competitive multi-year (up to three-year) grants to school districts and charter schools to provide educational services and supports to students to maintain student engagement and support re-engagement.
- \$1.0 million General Fund and 1.0 FTE for the Educational Stability Grant Program established in H.B. 18-1306 (Improving Educational Stability for Foster Youth). Beginning in FY 2019-20, H.B. 18-1306 requires the Department to provide grants to local education providers to provide services to students in foster care and other highly mobile students. The bill requires the Department to hire a permanent foster care education coordinator as well as a partial position to administer the new grant program. The Legislative Council Staff Fiscal Note for H.B. 18-1306 anticipated \$1.0 million in annual expenditures for the Department starting in FY 2019-20.

*STATUTORY AUTHORITY:* Section 22-14-109, C.R.S.

*REQUEST:* The Department requests an appropriation of \$3,054,709 total funds, including \$1,044,938 General Fund and \$2,009,771 cash funds from the Marijuana Tax Cash Fund, and 2.2 FTE for FY 2022-23. The request includes an increase of \$5,474 total funds to annualize FY 2021-22 salary survey and \$679 total funds to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

<sup>13</sup> Programs include: 21<sup>st</sup> Century Community Learning Centers (a federal program), the Expelled and At Risk Student Services Grant Program (a categorical program discussed above), Foster Care Education (a collaborative effort with the Department of Human Services), the federal McKinney-Vento Homeless Education Program, and the Student Reengagement Grant Program.



*RECOMMENDATION:* Staff recommends approving an appropriation of \$3,054,709 total funds, including \$1,044,938 General Fund and \$2,009,771 cash funds from the Marijuana Tax Cash Fund, and 2.2 FTE for FY 2022-23. The calculation as requested is consistent with Committee common policy.

## NINTH GRADE SUCCESS GRANT PROGRAM

This line item supports the Ninth Grade Success Grant Program. Senate Bill 19-246 (School Finance) created the Ninth Grade Success Program to provide grants to local education providers to establish ninth grade success programs. Under the bill, programs must include the following components:

- Establishing a cross-disciplinary team of all ninth grade teachers and support staff, including at least one school mental health professional to identify strategies to improve outcomes for students at risk of dropping out.
- Ensuring that ninth grade classes are taught by a single group of teachers, if practicable.
- Implementing a data system that provides real-time access to student behavior, attendance, and grades, as well as the ability to compare data across student groups.
- Prioritizing services, and providing instructional support, for ninth graders at risk of academic failure.
- Ensuring that school personnel receive data on incoming ninth graders and that teachers receive professional development regarding the use of data to inform instruction.
- Providing summer orientation for incoming ninth graders and their families.
- Evaluation of the impact of interventions provided through the program.

Senate Bill 19-246 included an appropriation of \$800,000 General Fund and 0.6 FTE to support the program in FY 2019-20. However, the General Assembly eliminated the appropriation for the program for FY 2020-21 as a budget balancing measure in response to the revenue shortfalls associated with the COVID-19 pandemic. Funding of \$800,000 General Fund and 0.6 FTE was restored for FY 2021-22 through the S.B. 21-268 (Public School Finance).

*STATUTORY AUTHORITY:* Section 22-14-109.5, C.R.S.

*REQUEST:* The Department requests an appropriation at a continuation level of \$800,000 General Fund and 0.6 FTE for FY 2022-23.

*RECOMMENDATION:* Staff recommends the request for \$800,000 General Fund and 0.6 FTE for FY 2022-23.

## QUALITY TEACHER RECRUITMENT PROGRAM

The General Assembly added this line item to the FY 2014-15 Long Bill to support appropriations for the Quality Teacher Recruitment Program created in S.B. 13-260 (School Finance). Section 22-94-102, C.R.S., directs the Department to contract with organizations working with school districts and boards of cooperative educational services (BOCES) to recruit, select, train, and retain highly qualified teachers in areas that have historically had difficulty attracting and retaining such teachers.

In December 2013, the Department selected the Public Education Business Coalition (PEBC) and Teach for America (TFA-Colorado) as grant recipients, with each program receiving half of the annual grant funds (\$1,470,000 per year). The programs divided the State geographically, with each program placing teachers in specific districts, with PEBC largely serving rural districts and TFA Colorado's efforts focused in Denver, Harrison, and Pueblo City.

The TFA-Colorado program places most teachers as the “teacher of record” in the first year of the program and requires a two-year commitment from recruits. In contrast, PEBC has placed the majority of recruits as “residents” in mentor teacher classrooms for the first year. The PEBC participants become teachers of record in the second year and have made a three year commitment to the program (including the residency year). The PEBC also makes a five-year commitment to provide supports to program participants.

Beginning in the 4<sup>th</sup> grant period (FY 2018-19) Fort Lewis College became an additional grantee.

Section 22-94-103, C.R.S., requires the vendors conducting the program to submit annual reports to the Department and requires the Department to contract with a third party to conduct annual evaluations of the program. The Department has contracted with OMNI Research to evaluate the program, and OMNI. Program materials, including evaluations, are available on the Department's website: <https://www.cde.state.co.us/educatortalent/qtrp>.

The most recent evaluation report posted (FY 2019-20) indicates that in FY 2019-20, PEBC placed 74 teachers in a grant-partner district, TFA-CO placed 87 teachers, and Fort Lewis College placed 5. Overall, the program appears to cost over \$18,000 per recruitment (\$3.0 million/166 recruitments), which includes funding used to support and develop the skills of the new teachers placed by the programs. The report indicates that in FY 2014-15, the program's first year, PEBC placed 66 teachers and TFA-Colorado placed 111. Six years later, in FY 2019-20, 45 teachers (68 percent) of the PEBC teachers were still teaching in the district where they were originally placed, but only 24 (22 percent) of the TFA-Colorado teachers were teaching where they were originally placed.

The General Assembly appropriated \$3.0 million per to support the program from FY 2014-15 through FY 2018-19. The FY 2019-20 Long Bill also included \$3.0 million to support the program. However, facing the revenue shortfalls associated with the COVID-19 pandemic, the General Assembly eliminated the FY 2019-20 *state* funding for the program through mid-year adjustments during the 2020 Session (leaving \$40,000 to support the contract for the program evaluation). Instead, the Governor's office used federal COVID-19 funds in lieu of the state support of the program. The General Assembly did not appropriate any funds for the program in FY 2020-21, but the Governor's Office directed GEER funds of \$3,211,800 to the previous grantees for FY 2020-21.

Beginning in FY 2021-22, funding for the program was restored in S.B. 21-185 (Supporting Educator Workforce in Colorado). This bill also modified the statute to specify that contractors must supply "licensed" teachers, rather than "highly qualified" teachers. Grantees for the two-year cycle that began in FY 2021-22 were the same as in recent years: PEBC, TFA-Colorado, and Fort Lewis College. A contracted evaluator had not been selected as of November 2021.

*STATUTORY AUTHORITY:* Section 22-94-102, C.R.S.

*REQUEST:* The Department requested continuation funding of \$3,000,000 General Fund for the program.

*RECOMMENDATION:* Staff recommends approving the request for a continuation level of \$3,000,000 General Fund for FY 2022-23.

## ENGLISH LANGUAGE LEARNERS TECHNICAL ASSISTANCE

The General Assembly added this line item to the FY 2014-15 Long Bill to support additional technical assistance staff related to English language learners (ELLs). The line item supports staff providing technical assistance to local education providers to improve services for ELL students statewide.

The Department has used these funds to provide a series of professional development opportunities each year from FY 2014-15 through FY 2017-18 and to provide one-on-one support to school districts as needed and requested. The Department has worked to target the professional development opportunities based on the needs of school and district personnel to both improve understanding of requirements related to EL services and deliver effective practices to support improved services. The Department (Office of Culturally and Linguistically Diverse Education or CLDE) offers a series of professional learning opportunities, including regional professional learning, webinars, regional director networking meetings, and targeted support. In addition, the Department hosts an annual CLDE Academy for district CLDE directors, coordinators, and teachers. Finally, the Department offers district-wide reviews and is in the process of developing school-level reviews of English language development programs.

*STATUTORY AUTHORITY:* Section 22-24-106, C.R.S.

*REQUEST:* The Department requests an appropriation of \$400,617 total funds (including \$342,017 General Fund and \$58,600 cash funds from the State Education Fund) and 5.0 FTE for FY 2022-23. The request includes the following changes:

- An increase of \$10,328 total funds to annualize prior year salary survey.
- An increase of \$1,355 total funds to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends the request for \$400,617 total funds, including \$342,017 General Fund and \$58,600 cash funds from the State Education fund. The calculation as requested is consistent with Committee common policy.

## WORKING GROUP FOR IDENTIFICATION OF AND EDUCATIONAL SUPPORT FOR STUDENTS WITH DYSLEXIA

The General Assembly added this line item to the FY 2020-21 Long Bill to support the Working Group for Identification of and Educational Support for Students with Dyslexia created in H.B. 19-1134 (Identification and Interventions for Students with Dyslexia). The bill requires the Department of Education to convene an eleven-member group to study the identification of and support for dyslexic students. The bill provided appropriations for the working group to meet ten times in FY 2019-20, and the fiscal note was based on four meetings in FY 2020-21. The bill included appropriations to support travel and expenses for both working group participants and Department

staff, as well as contracted facilitation and resources to support substitute teachers to allow teacher members of the working group to meet during the school year.

The bill required the working group to submit a progress report to the Commissioner of Education by December 1, 2019, and a report of its recommendations no later than July 1, 2020 (and by each July 1 thereafter). The bill required the Commissioner to submit the group's report and any recommendations for legislation to the State Board of Education and the Education Committees of the General Assembly no later than February 1, 2021. The working group repeals September 1, 2029.

The group has submitted two reports thus far and continues to meet regularly.<sup>14</sup>

*STATUTORY AUTHORITY:* Sections 22-20.5-103, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$40,616 General Fund to support the working group's activities in FY 2022-23, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends approving the request for \$40,616 General Fund, which is consistent with the Committee's common policies and with the ongoing responsibilities of the group pursuant to statute.

## DYSLEXIA MARKERS PILOT PROGRAM

The General Assembly added this line item to the FY 2020-21 Long Bill to support the Dyslexia Markers Pilot Program created in H.B. 19-1134 to identify markers of dyslexia and to enable effective interventions. The bill directs the Department to consult with the working group (discussed in the previous line item) in designing the pilot program and to select up to five local education providers that volunteer to participate. Following the 2021-22 school year, the bill requires the Department to evaluate the implementation of the pilot program and the effectiveness of the piloted strategies to identify and support dyslexic students. The Department must prepare a report to the General Assembly no later than December 31, 2022, and the pilot program is repealed July 1, 2023.

House Bill 19-1134 includes an appropriation of \$116,453 General Fund to the Department of Education to support the pilot program in FY 2019-20.

*STATUTORY AUTHORITY:* Sections 22-20.5-104, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$127,973 General Fund to support pilot program in FY 2021-22, with no change from the FY 2020-21 appropriation.

*RECOMMENDATION:* Staff recommends eliminating funding for the program in the Long Bill, based on the timing outlined in H.B. 19-1134 and the bill's original fiscal note. The dyslexia pilot program was intended to run for the 2020-21 and 2021-22 school years. Due to the pandemic, it was not possible to start the program until the 2021-22 school year. The Department indicates that it would

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<https://www.cde.state.co.us/coloradoliteracy/codyslexiaworkgroup#:~:text=The%20working%20group%20is%20also, interventions%20for%20students%20with%20dyslexia.>

like the program to run for two years as intended, which would extend the program to the 2022-23 school year. The Department indicates it is planning to seek the appropriate statutory changes to extend the program for FY 2022-23 and delay other deadlines. Staff anticipates that FY 2022-23 appropriations will be included in legislation that modifies the deadlines for the program.

### SCHOOL LEADERSHIP PILOT PROGRAM

The General Assembly added this line item to the FY 2020-21 Long Bill to support the School Leadership Pilot Program created in H.B. 19-1002 (Leadership Professional Development for School Principals) to provide training for school principals. The bill requires the program to identify a cohort of high quality school principals and allow other school principals (statewide) to observe and interact with the high-performing cohort and to receive professional development in school leadership.

The bill required the Department of Education to design the program in FY 2019-20 and to implement the program no later than July 2020. The Department may contract with an external entity to assist with program design and implementation. The bill required the program design to include: (1) a method to identify and select high-quality principals to participate; (2) learning objectives and goals of the program; (3) methods to achieve those objectives and goals; and (4) a method to evaluate the program's success. For FY 2020-21 and FY 2021-22, the bill required the State Board of Education to award a grant to the local education provider that employs each school principal selected to participate, either as a member of the highly-qualified cohort or as a participant receiving professional development.

By January 15, 2022, the Department was required to report to the General Assembly, including detailing actual participation, an evaluation of the program's impact, and recommendations.

For FY 2019-20, the bill appropriated \$272,929 General Fund and 0.9 FTE to the Department of Education to support program design. The Final Legislative Council Staff Fiscal Note for the bill anticipated an appropriation of \$751,615 General Fund per year in FY 2020-21 and FY 2021-22. The General Assembly reduced the appropriation by \$375,807 General Fund (50.0 percent) for FY 2020-21 as a budget balancing measure. The FY 2021-22 Long Bill continued funding at this level, but the balance was fully restored for FY 2021-22 through S.B. 21-268 (Public School Finance).

Pursuant to Section 22-13-205, C.R.S., the program repeals effective July 1, 2022.

*STATUTORY AUTHORITY:* Section 22-13-201 through 205, C.R.S.

*REQUEST:* The Department has not requested funding for this line item for FY 2022-23.

*RECOMMENDATION:* Staff does not recommend any funding for this line item, in light of the program's repeal date (July 1, 2022). If the General Assembly wishes to continue this program, which is currently operating as the "Principal Leadership Institute" according to the Department's website, it will need to reauthorize the program.

## LOCAL ACCOUNTABILITY SYSTEM GRANT PROGRAM

Senate Bill 19-204 created the Local Accountability System Grant Program to provide grants to local education providers who wish to create local accountability systems to supplement the state accountability system. The grants are to establish and implement local accountability systems, including identifying and developing appropriate measures, evaluating quality, analyzing data, and assisting with stakeholder communication. Grants must be \$25,000 to \$50,000 per year for single local education provider and must not exceed \$75,000 per year for a group of local providers. Funds must be distributed over three budget years. Unexpended amounts from each annual appropriation may be rolled forward for expenditure in subsequent years.

Senate Bill 19-204 included an appropriation of \$493,097 General Fund for FY 2019-20, but funding was eliminated for FY 2020-21 as a budget balancing measure. Senate Bill 21-168 (Public School Finance) restored funding of \$493,907 General Fund for the program for FY 2021-22.

*STATUTORY AUTHORITY:* Section 22-11-703, C.R.S.

*REQUEST:* The Department requests a continuing appropriation of \$493,907 General Fund and 0.4 FTE.

*RECOMMENDATION:* Staff recommends a continuing appropriation of \$493,907 General Fund and 0.4 FTE, consistent with the General Assembly's restoration of the program in FY 2021-22.

## SCHOOL TRANSFORMATION GRANT PROGRAM

The General Assembly added the School Turnaround Leaders Development Program line item to the FY 2015-16 Long Bill to support the School Turnaround Leaders Development Program created in S.B. 14-124 (School Turnaround Leaders Development Program). The program, first funded with \$2.0 million cash funds from the State Education Fund in FY 2014-15, requires the Department to contract with providers of high-quality turnaround leadership development programs and award grants to school districts and charter schools throughout the State to develop school leaders with the skills and competencies required to turn around low-performing schools. Leaders of schools in Turnaround or Priority Improvement status under the statewide accountability system are eligible to participate.

The bill allowed the Department to award planning and program design grants to approved providers during the first three years of implementation; the State Board of Education approved six providers to support the program, five of which have served program participants.<sup>15</sup> Over the first three years of the program (FY 2014-15 through FY 2016-17), the State Board approved a total of \$449,537 in planning and design grants to providers. Grants to participants (school leaders) allow the grantees to participate in leadership training provided by one of the approved providers. For FY 2015-16 through FY 2017-18, the program served a total of 256 participants representing 21 school districts (including the State Charter School Institute).

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<sup>15</sup> Approved providers include: Catapult School Leadership, Generation Schools Network, Promethean/University of Florida, Relay Graduate School of Education, University of Denver, and University of Virginia. Although the State Board approved Promethean/University of Florida as a provider, no participants attended that program, and the provider has terminated involvement with the School Turnaround Leaders Development Program.

House Bill 18-1355 (Public Education Accountability System) expanded the program to include additional supports and activities and renamed the program the School Transformation Grant Program. In addition to leadership development, the grant program can now support school wide improvement activities as well as planning and implementation for accountability pathways directed by the State Board of Education. Based on the changes in H.B. 18-1355, the General Assembly renamed the line item as the “School Transformation Grant Program” in the FY 2019-20 Long Bill. In addition, the General Assembly approved an increase of \$2,314,027 General Fund and 1.8 FTE for FY 2019-20 to expand services available under the program. The General Assembly initially added a further \$1,000,000 for FY 2020-21, but this was removed to help balance the budget in the wake of the COVID-19 pandemic.

*STATUTORY AUTHORITY:* Section 22-13-103, C.R.S.

*REQUEST:* The Department requests \$6,450,371 total funds, including \$4,442,123 General Fund and \$2,008,248 cash funds from the State Education Fund, and 3.0 FTE for FY 2022-23. The request includes:

- An increase of \$2,000,000 General Fund for R6 Expanding Resources for Improving Schools;
- An increase of \$12,705 total funds to annualize FY 2021-22 salary survey; and
- An increase of \$1,669 total funds to reflect the FY 2022-23 impact of S.B. 18-200.

*RECOMMENDATION:* The staff recommendation is included in the [table below](#). The recommendation incorporates the staff recommendation for Request R6, discussed earlier in this packet. The other components of the request are consistent with Committee common policy.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, SCHOOL TRANSFORMATION GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$4,435,997	\$2,431,222	\$2,004,775	\$0	\$0	3.0
<b>TOTAL</b>	<b>\$4,435,997</b>	<b>\$2,431,222</b>	<b>\$2,004,775</b>	<b>\$0</b>	<b>\$0</b>	<b>3.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$4,435,997	\$2,431,222	\$2,004,775	\$0	\$0	3.0
R6 Expanding resources for school improvement	1,000,000	1,000,000	0	0	0	0.0
Annualize prior year budget actions	12,705	9,593	3,112	0	0	0.0
Annualize prior year legislation	1,669	1,308	361	0	0	0.0
<b>TOTAL</b>	<b>\$5,450,371</b>	<b>\$3,442,123</b>	<b>\$2,008,248</b>	<b>\$0</b>	<b>\$0</b>	<b>3.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,014,374</b>	<b>\$1,010,901</b>	<b>\$3,473</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	22.9%	41.6%	0.2%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$1,000,000	\$1,000,000	\$0	\$0	\$0	0.0

## COMPUTER SCIENCE EDUCATION GRANTS

The General Assembly added the Computer Science Education Grants for Teachers line item to the FY 2018-19 Long Bill to support appropriations for a grant program created in S.B. 17-296 (School Finance). The program provides grants for eligible teachers who wish to pursue additional postsecondary education and training in order to then provide computer science education to K-12 students. Originally funded with \$500,000 cash funds from the State Education Fund and 0.4 FTE, the General Assembly added approximately \$500,000 in the Long Bill appropriation for FY 2019-20 (for a total appropriation of \$1,048,600 and 0.4 FTE in the FY 2019-20 Long Bill).

House Bill 19-1277 (Computer Science Grant Program) created a second grant program, the Computer Science Education Grant Program, to provide grants to public schools to increase the participation of traditionally underrepresented students in computer science education. The bill specifies the information that applicants must include in a grant application and requires the Department to prioritize applicants that demonstrate a low number of computer science educational activities, expose students to diverse professionals in the computer science industry, or demonstrate how the grant money will serve a high-poverty student population, a high percentage of minority or female students, or students in a rural area. Although H.B. 19-1277 did not include an appropriation for FY 2019-20, the bill required the General Assembly to appropriate \$250,000 per year to support grants for FY 2020-21 through FY 2022-23.

The General Assembly enacted two reductions to this line item for FY 2020-21:

- First, the Long Bill reduced the appropriation for the Computer Science Education Grants for Teachers Program by \$500,000 cash funds from the State Education Fund (a 47.7 percent reduction below the FY 2019-20 appropriation).
- Second, H.B. 20-1418 (School Finance) suspended the Computer Science Grant Program for FY 2020-21 and eliminated the appropriation of \$250,000 General Fund for that year. The bill did require the appropriation to return in FY 2021-22, however.

For FY 2021-22, the General Assembly restored funding to \$801,658 total funds (including \$250,000 General Fund and \$551,658 cash funds from the State Education Fund) and 0.4 FTE. This includes funding for the Computer Science Education Grants for Teachers portion of the program at \$551,658 cash funds and funding for the Computer Science Grant Program at \$250,000 General Fund.

*STATUTORY AUTHORITY:* Section 22-97-101 through 103 and 22-97-201 through 205, C.R.S.

*REQUEST:* The Department requests an appropriation of \$805,681 total funds (including \$250,000 General Fund and \$555,681 cash funds from the State Education Fund) and 0.4 FTE. The request includes an increase of \$3,605 cash funds to annualize FY 2021-22 salary survey and 418 cash funds to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends \$805,681 total funds (including \$250,000 General Fund and \$555,681 cash funds from the State Education Fund) and 0.4 FTE. The request is calculated consistent with Committee common policy.



## ACCELERATED COLLEGE OPPORTUNITY EXAM FEE GRANT PROGRAM

The General Assembly added this line item to the FY 2019-20 Long Bill to support the Advanced Placement Exam Fee Grant Program created in H.B. 18-1396 (Advanced Placement Exam Fee Grant Program). The program subsidizes a portion of advanced placement (AP) exam fees on behalf of eligible low income students. Schools must use the entire amount awarded through a competitive grant process to pay AP exam fees. House Bill 18-1396 appropriated \$554,869 General Fund and 0.3 FTE to the Department for FY 2018-19. House Bill 19-1222 modified the program to include International Baccalaureate (IB) exam fees in addition to AP fees.

The line item was renamed as the Accelerated College Opportunity Exam Fee Program in the FY 2020-21 Long Bill to align with the changes in H.B. 19-1222.

The General Assembly reduced the program by \$280,730 (50.0 percent) as a budget balancing measure for FY 2020-21. The reduction was continued in the FY 2021-22 Long Bill, but FY 2021-22 funding was fully restored through S.B. 21-268 (Public School Finance).

*STATUTORY AUTHORITY:* Section 22-95.5-102, C.R.S.

*REQUEST:* The Department requests \$562,238 General Fund and 0.4 FTE for FY 2022-23. This includes an increase of \$684 General Fund to annualize FY 2021-22 salary survey and \$93 for the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends approving the request for \$562,238 General Fund and 0.4 FTE for FY 2022-23. The Department's calculation is consistent with Committee common policy.

## EDUCATOR PERCEPTION

The General Assembly added this line item to the FY 2014-15 Long Bill to provide \$100,000 General Fund to support the administration of the biennial Teaching, Empowering, Leading, and Learning (TELL) Survey which surveys school-based educators statewide to assess teaching conditions.

House Bill 08-1384 (Retention of Qualified Educators) authorized the Department to conduct a biennial survey of teaching and learning conditions. The goal of the bill and program is to survey every school-based licensed educator regarding their perceptions of teaching and learning conditions to provide insights for policy decisions at the school, local district, and state levels. The Department has worked with a variety of partners to administer the survey. According to the [tellcolorado.org](http://tellcolorado.org) website, the Department has partnered with the New Teacher Center, the Colorado Association of School Boards (CASB), the Colorado Association of School Executives (CASE), the Colorado League of Charter Schools, the American Federation of Teachers (Colorado), and the Colorado Education Association. The Department administered the survey for the fifth time in FY 2017-18, although previous administrations were largely supported by alternative fund sources.

Beginning with FY 2019-20, the Department has transitioned to a new system to fund the survey. The FY 2019-20 appropriation included \$75,000 General Fund to support the administration of the survey in FY 2019-20, with the assumption that the “off-year” appropriation (FY 2020-21) would provide \$25,000 to support the vendor’s costs for analysis and maintenance.

*STATUTORY AUTHORITY:* Section 22-2-503, C.R.S.

*REQUEST:* The Department requests an appropriation of \$25,000 General Fund for FY 2022-23. The request includes a reduction of \$53,500 General Fund for the second year impact of H.B. 21-1087 (Teaching and Learning Conditions Survey) and a reduction of \$50,000 General Fund for the impact of H.B. 08-1384 (Teacher Quality Recruitment and Retention) to reflect the reduced "off year" costs in FY 2022-23.

*RECOMMENDATION:* Staff recommends approving the request, which is consistent with the General Assembly's decisions from prior years.

## LINE ITEMS INCLUDED IN THE NUMBERS PAGES BECAUSE OF PRIOR YEAR FUNDING

### ENGLISH LANGUAGE LEARNERS PROFESSIONAL DEVELOPMENT AND STUDENT SUPPORT PROGRAM

The General Assembly added this line item to the FY 2015-16 Long Bill to support the English Language Learners Professional Development and Student Support Program created in H.B. 14-1298 (School Finance). House Bill 14-1298 repeals and reenacts the English Language Proficiency Act and creates the Professional Development and Student Support Program to allocate moneys to local education providers to offset costs incurred in complying with the English Language Proficiency Act. House Bill 14-1298 appropriated \$27.0 million to support the program in FY 2014-15, and the General Assembly has provided that amount in each subsequent year. The program is created outside of the English Language Proficiency Program categorical program and distributes funds on a per pupil basis (\$362.44 per pupil in FY 2019-20) based on the percentage of eligible students (those that are within the first five years of ELL services) that fall into the following categories:

- Students who do not comprehend or speak English or who comprehend and speak some English, but whose primary language is something other than English. With 66,032 students in this category in FY 2019-20, this group represented 88.6 percent of eligible students which equated to \$23.9 million in total funding and \$362.44 per pupil.
- Students who comprehend and speak English, but whose proficiency is below acceptable levels. With 8,464 students in this category in FY 2019-20, this group represented 11.4 percent of eligible students which equates \$3.1 million in total funding and to \$362.44 per pupil.

Prior to FY 2020-21, statute dedicated 75.0 percent of the program's funds to the first category and 25.0 percent to the second category. Senate Bill 19-246 (School Finance) adjusted the statute to align the distribution of funds with each group's share of the eligible population (and with the current distribution of categorical funding under the English Language Proficiency Act).

In the FY 2021-22 School Finance Act, S.B. 21-268, this funding was moved into the States' Share of Total Program Funding, when the General Assembly created a new factor in the school finance formula for English language learners. While the program still exists in statute, it is no longer funded as a discrete line item.

*STATUTORY AUTHORITY:* Section 22-24-108, C.R.S.

*REQUEST/RECOMMENDATION:* The Department did not request, and staff does not recommend, an appropriation for this line item.

### STIPENDS FOR NATIONALLY BOARD CERTIFIED TEACHERS

House Bill 12-1261 extended a program (originally created by H.B. 08-1364) to provide stipends to school teachers holding certification from the National Board for Professional Teaching Standards (NBPTS). Subject to available appropriations, the program provides an annual stipend of \$1,600 to each national board certified teacher and an *additional* \$3,200 stipend to such teachers employed in low-performing, high needs schools (defined as schools accredited with a priority improvement plan or a turnaround plan).

House Bill 12-1261 included an appropriation of \$604,800 cash funds from the State Education Fund based on an estimate of the number of eligible teachers in low-performing, high needs schools. Under the bill, if appropriations are insufficient to provide stipends to all qualified teachers, then the Department only provides the increased stipends to teachers in low-performing, high needs schools. In FY 2013-14, the General Assembly appropriated \$1,617,600 cash funds from the State Education Fund to provide stipends to eligible teachers outside of low-performing, high needs schools. The FY 2014-15 Long Bill reduced the appropriation to \$1,580,800 based on actual utilization of the program, and the FY 2016-17 Long Bill further reduced the appropriation to \$1,384,000.

House Bill 19-1036 (Annual Stipends for Certified School Professionals) added school psychologists who hold a certification from the National Association of School Psychologists and meet the other program requirements to the list of school personnel that qualify for the stipends. The bill also clarifies that school counselors holding a certification from the NBPTS are eligible for the stipends, which aligned with the Department's existing practice.

For FY 2019-20, the General Assembly added \$719,256 through a FY 2020-21 Long Bill "add-on" to allow payments based on the expanded eligibility created by H.B. 19-1036, bringing total funding to \$2,103,256. However, the General Assembly eliminated the entire appropriation for FY 2020-21 as a budget balancing measure in response to the revenue shortfalls associated with the COVID-19 pandemic. Funding has not been restored to-date.

*STATUTORY AUTHORITY:* Section 22-2-504, C.R.S.

*REQUEST/RECOMMENDATION:* The Department did not request an appropriation for this line item for FY 2022-23. As described earlier in this document, while staff has not included funding for the program in the staff recommendation, members of the Joint Education Committee have expressed support for restoring funding.

### GROW YOUR OWN EDUCATOR PROGRAM

The General Assembly added this line item to the FY 2019-20 Long Bill to support the Grow Your Own Educator Program created in H.B. 18-1309 (Programs Addressing Educator Shortages). The bill requires the Departments of Education and Higher Education to create a framework for grow your

own educator programs, including collaborations between local education providers and institutions of higher education and specified required components for the frameworks. The bill required the Department of Education to administer grants to districts or schools that employed participating students under such a program, with grants intended to cover the payment of the student's share of in-state tuition for up to 36 credit hours.

House Bill 18-1309 appropriated \$1.0 million General Fund for the program in FY 2018-19 but made those funds available for grants for the duration of the program (through FY 2022-23). The FY 2020-21 Long Bill appropriated \$22,933 General Fund and 0.3 FTE to support administration of the program in FY 2020-21. However, H.B. 20-1418 (School Finance) repealed the program as a budget balancing measure and eliminated the FY 2020-21 appropriation. During the FY 2020-21 budget process, the Department reported that it had received *no* applications for funding under the program's grant criteria and was unlikely to make any grants as the program had been structured.

*STATUTORY AUTHORITY:* Section 22-60.5-208.5, C.R.S.

*REQUEST/RECOMMENDATION:* The program is repealed. The Department has not requested, and staff does not recommend, funding for this line item

## RETAINING TEACHERS FUND

The General Assembly added this line item to the FY 2019-20 Long Bill to make a one-time appropriation of \$3.0 million General Fund into the Retaining Teachers Fund to support the Retaining Teachers Grant Program created in H.B. 18-1412 (Retaining Teachers Grant Program). The appropriation in FY 2019-20 was requested as a one-time appropriation into the fund (to be spent out of the fund over two years). House Bill 20-1418 repealed the program and the cash fund as a budget balancing measure for FY 2020-21 and transferred the fund balance to the State Education Fund.

*STATUTORY AUTHORITY:* 22-98-102, C.R.S.

*REQUEST/RECOMMENDATION:* The program is repealed. The Department did not request, and staff does not recommend, an appropriation for this line item.

## CAREER COUNSELING PROFESSIONAL DEVELOPMENT

The General Assembly added this line item to the FY 2019-20 Long Bill to provide statewide training to improve career counseling. The Department requested, and the General Assembly approved, a one-time appropriation of \$1.5 million General Fund to support the training efforts (planned as a collaboration between the Departments of Education, Higher Education, and Labor and Employment) in FY 2019-20.

The General Assembly reduced the FY 2019-20 appropriation by \$500,000 as a budget balancing measure because the COVID-19 pandemic eliminated many of the trainings that were planned for the Spring of 2020.

*STATUTORY AUTHORITY:* Section 22-10-103 (11)(a), C.R.S.

*REQUEST/RECOMMENDATION:* The Department did not request, and staff does not recommend, an appropriation for this line item.

#### TRANSFER TO THE DEPARTMENT OF HIGHER EDUCATION FOR RURAL TEACHER RECRUITMENT, RETENTION, AND PROFESSIONAL DEVELOPMENT

The General Assembly added this line item to the FY 2019-20 Long Bill to reflect funding transferred from the Department of Education to the Department of Higher Education as a result of S.B. 18-085 (Financial Incentives for Education in Rural Areas). Senate Bill 18-085 appropriated \$240,000 cash funds from the State Education Fund to the Department of Education for FY 2018-19 and then transferred those funds to the Department of Higher Education to support the Department of Higher Education's activities under the bill (paying stipends to teachers that are pursuing certification by the National Board). The General Assembly approved the addition of the new line item to the Long Bill to continue that structure in FY 2019-20. However, beginning in FY 2020-21, the General Assembly funded this program with a direct appropriation of General Fund to the Department of Higher Education. As a result, the line item is no longer necessary.

*REQUEST/RECOMMENDATION:* The Department did not request, and staff does not recommend, an appropriation for this line item.

#### ENGLISH LANGUAGE PROFICIENCY ACT EXCELLENCE AWARDS PROGRAM

The General Assembly added this line item to the FY 2015-16 Long Bill to support the English Language Proficiency Act Excellence Award Program created in H.B. 14-1298 (School Finance). Created in Section 22-24-107, C.R.S., the program awards grants to local education providers and charter schools that achieve the highest growth and academic achievement for English language learners (ELLs) and the highest academic achievement for ELLs who transition out of the English Language Proficiency Program. The line item received annual appropriations of \$500,000 cash funds from the State Education Fund for FY 2014-15 through FY 2019-20. However, the General Assembly eliminated the appropriation for FY 2020-21 as a budget balancing measure and has not restored it.

*STATUTORY AUTHORITY:* Section 22-24-107, C.R.S.

*REQUEST/RECOMMENDATION:* The Department did not request, and staff does not recommend, an appropriation for this line item.

#### ADVANCED PLACEMENT INCENTIVES PILOT PROGRAM

The General Assembly added this line item to the FY 2015-16 Long Bill to support the Advanced Placement Incentives Pilot Program created in H.B. 14-1118 (Advanced Placement Incentives Pilot Program). The program is intended to expand access to advanced placement (AP) courses in rural schools, and particularly for low income students. Only school districts that the Department identifies as rural may participate, and the bill caps participation in the pilot program at 475 students. The bill specifies requirements for schools and districts to participate.

The program provides eligible local education providers \$500 per student that completes an AP course and takes the AP exam. Participating schools or districts may use the funds to: (1) implement school-

wide or district-wide AP programs; (2) provide professional development to administrators regarding the content required in non-AP classes to help students prepare for success in AP courses; (3) pay AP exam fees for students participating in the federal school lunch program, provided the fees are not paid with other federal grant moneys; and (4) provide teachers and mentors of AP courses with bonus payments of \$50 for each student who completes an AP course and takes the corresponding exam (up to a maximum of \$2,000 per teacher per year).

Originally set to expire at the end of FY 2017-18, H.B. 18-1193 (Extend Advanced Placement Incentives) extended the program through FY 2020-21. However, H.B. 20-1418 (School Finance) repealed the program at the end of FY 2019-20 as a budget balancing measure.

*STATUTORY AUTHORITY:* Sections 22-95-101 through 104, C.R.S.

*REQUEST/RECOMMENDATION:* The program is repealed. The Department did not request, and staff does not recommend, an appropriation for this line item.

### COMPREHENSIVE QUALITY PHYSICAL EDUCATION PILOT PROGRAM

The Department requested this line item to support the Health and Wellness Through Comprehensive Quality Physical Education Instruction Pilot Program. Created in S.B. 19-246 (School Finance), the program provided three-year grants to eligible schools or school districts to implement a program of comprehensive physical education instruction. Grants under the pilot may cover FY 2020-21 through FY 2022-23. Grantees may use the funds to address resource needs creating barriers to implementing a comprehensive program. The bill requires grantees to ensure that supported physical education programs include specific components.

Senate Bill 19-246 included an appropriation of \$1,100,000 cash funds from the Marijuana Tax Cash Fund and 0.7 FTE to support the program. Section 22-99-105, C.R.S., makes those funds available to the Department through FY 2023-24. The program repeals July 1, 2024. For FY 2021-22, the Department proposed a statutory change to repeal the unused fund balance, but the General Assembly took no related action.

*STATUTORY AUTHORITY:* Section 22-99-101, C.R.S.

*REQUEST/RECOMMENDATION:* The Department did not request, and staff does not recommend, an appropriation for this line item. Staff presumes that funds previously appropriated will continue to be expended through FY 2023-24.

### (V) FACILITY SCHOOLS

While most children in Colorado receive public education services through school districts or schools that are authorized by the State Charter School Institute, some children receive their education

through schools operated by community-based facilities or state-operated programs.<sup>16</sup> In 2008, the General Assembly modified the method of funding facility schools and certain state programs by:

- Removing pupils educated by facility schools from districts' pupil enrollment counts for purposes of funding.<sup>17</sup>
- Requiring facility schools and state programs to report information directly to the Department's Facility Schools Unit concerning individual students, including the student's district of residence and the actual number of days of attendance each month.
- Allowing facility schools to bill the Department for statewide average per pupil revenues times 1.33, and allowing facility schools to bill for an additional one-third of per pupil revenue to support Summer school programs. In 2013, the General Assembly modified this provision to provide statewide base per pupil funding times 1.73 in an effort to increase funding for facility schools.

The General Assembly also created a Facility Schools Board to adopt curriculum standards, accountability measures, and graduation requirements for facility schools. This act also created the Facility Schools Unit within the Department of Education charged with:

- Developing and maintaining a list of approved facility schools.
- Making recommendations concerning curriculum standards and graduation standards.
- Maintaining information and records for students who receive educational services from approved facility schools.
- Communicating and collaborating with the Department of Human Services, county departments of social services, and other agencies regarding the placement and transfer of students in facilities.

## FACILITY SCHOOLS UNIT AND FACILITY SCHOOLS BOARD

This line item supports the Facility Schools Unit and Board. The Department is authorized to withhold up to 2.0 percent of the amount payable to each approved facility school to cover the costs of the unit and the Board. The reappropriated funds supporting this line item are transferred from the Facility School Funding line item (discussed below).

*STATUTORY AUTHORITY:* Sections 22-2-401 through 22-2-408, C.R.S.

*REQUEST:* The Department requests an appropriation of \$341,558 reappropriated funds and 3.0 FTE for FY 2022-23. The request includes an increase of \$15,459 to annualize FY 2021-22 salary survey and \$3,509 to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

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<sup>16</sup> Pursuant to Section 22-54-129 (1) (f), C.R.S., "state programs" include the Colorado School for the Deaf and the Blind and the education programs operated by the Colorado Mental Health Institutes at Pueblo and Fort Logan. Because the State has closed the facility at Fort Logan, the School for the Deaf and the Blind and the Colorado Mental Health Institute at Pueblo are the only remaining state programs.

<sup>17</sup> Districts continue to include students who reside in a facility or group home and attend a district school in their October count for purposes of funding. Further, students in "out-of-district" placements who attend public school are included in the pupil count of the district of attendance.

*RECOMMENDATION:* Staff recommends \$341,558 reappropriated funds from the Facility School Funding line item and 3.0 FTE. The request is calculated consistent with Committee common policy.

**FACILITY SCHOOLS FUNDING**

This line item provides funding for the Department to make payments to facility schools as required by Section 22-54-129, C.R.S. Prior to FY 2013-14, this provision authorized the payment of the state average per pupil revenue times 1.33. Senate Bill 13-260 changed the formula for facility school funding to provide the statewide *base* per pupil funding amount times 1.73; this amount is translated into a daily rate, and each facility school receives a daily rate for each child in attendance for up to 235 days each school year.

*STATUTORY AUTHORITY:* Section 22-54-129, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$17,365,125 cash funds from the State Education Fund for FY 2022-23, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* As discussed above (Staff Initiated Facility Schools Adjustment), staff recommends approving an appropriation of \$12,231,075 cash funds from the State Education Fund for this line item for FY 2022-23. The recommendation represents a decrease of \$5,134,050 from the FY 2021-22 appropriation and FY 2022-23 request. As discussed above, staff has recommended redirecting savings from this change to bill that would authorize supplemental funding for FY 2022-23. This is a one-time adjustment, pending recommendations from the Facility School Working Group and (staff anticipates) changes to the structure for facility school funding beginning in FY 2023-24.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, FACILITY SCHOOL FUNDING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$17,365,125	\$0	\$17,365,125	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$17,365,125</b>	<b>\$0</b>	<b>\$17,365,125</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$17,365,125	\$0	\$17,365,125	\$0	\$0	0.0
SI facility schools adjustment	(5,134,050)	0	(5,134,050)	0	0	0.0
<b>TOTAL</b>	<b>\$12,231,075</b>	<b>\$0</b>	<b>\$12,231,075</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$5,134,050)</b>	<b>\$0</b>	<b>(\$5,134,050)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(29.6%)	0.0%	(29.6%)	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$17,365,125</b>	<b>\$0</b>	<b>\$17,365,125</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$5,134,050	\$0	\$5,134,050	\$0	\$0	0.0

There are currently 34 facility schools and two state programs that receive funding through this line item. These programs are allowed to receive reimbursement for each child in attendance for up to 235 days each year. Based on current law (as adjusted by S.B. 15-267), with statewide base per pupil funding at \$7,478.16 for FY 2022-23, these programs will receive \$12,937.22 per pupil per year (\$7,478.16\*1.73) for FY 2022-23 or \$55.05 per student per school day. While the Mental Health



Institutes and most facility schools provide year-round education programs; the Colorado School for the Deaf and the Blind and some facility schools do not provide year-round educational programs. The following table provides an estimate of the amount of funding required for this line item for FY 2022-23, and the portions that will be transferred to other state agencies.

FACILITY SCHOOL FUNDING: FY 2022-23				
DESCRIPTION	FY 2021-22 APPROPRIATION	FY 2021-22 CURRENT PROJECTION	FY 2022-23 STAFF REC.	CHANGE FROM FY 2021-22 APPROP.
Projected Average Facility Schools FTE	1,362	927	927	(435)
Multiplied by: Statewide Base Per Pupil Funding X 1.73	\$12,499.73	\$12,499.73	\$12,937.22	\$437.49
Total Estimated Facility School payments	\$17,024,632	\$11,587,250	\$11,991,250	(\$5,033,382)
Plus: Additional Funding (approximately 2.0 percent) to account for placement and attendance fluctuations	340,493	231,745	239,825	(100,668)
Recommendation for Facility School Funding line item	\$17,365,125	\$11,818,995	\$12,231,075	(\$5,134,050)
Estimated portion of the above amount transferred to state agencies:				
<i>Department of Education</i> : Colorado School for the Deaf and the Blind	\$1,669,300	\$1,465,108	\$1,620,730	32,730
<i>Department of Human Services</i> : Mental Health Institutes (Pueblo only)	\$161,674	*	*	*

As in prior years, the staff recommendation leaves a cushion (representing 2.0 percent of funding) to cover potential increases in the number of students placed in facility schools and school attendance fluctuations. Please note that because the facility school funding formula in Section 22-54-129, C.R.S., uses statewide *base* per pupil funding as the basis of the formula, total funding for facility schools no longer changes based on adjustments to the school finance formula that do not affect base per pupil funding. Prior to FY 2013-14, if separate legislation changed statewide *average* per pupil funding, facility school funding changed as well. Those adjustments are no longer necessary.

Finally, staff recommends reflecting the following transfers of reappropriated funds to other state agencies that receive funding from this line item for educational programs:

- \$1,620,730 to the Colorado School for the Deaf and the Blind (CSDB), School Operations.
- \$161,674 (continuing amount) to the Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, for the Mental Health Institute at Pueblo. Staff will bring a comeback to the Committee if this figure requires further adjustment.

### ADDITIONAL FUNDING FOR FACILITY SCHOOLS

Senate Bill 21-274 (Sustainable Model for Facility School Funding), a JBC bill, included one-time funding of \$5,700,000 General fund for supplemental payments to facility schools in FY 2021-22 only. The bill required that the supplemental payments be in addition to the current daily per pupil rate and authorized the Department to determine the allocation method. Funds were distributed based on facility school pupil enrollment over the last three years.

*STATUTORY AUTHORITY*: Section 22-2-407.5, C.R.S.

*REQUEST:* This was a one-time appropriation. The Department did not request additional funding for this line item for FY 2022-23.

*RECOMMENDATION:* Staff does not recommend a Long Bill appropriation for this line item, as this is not allowed under current law. Senate bill 21-274 authorized supplemental payments for FY 2021-22 only. However, as discussed earlier in this document, staff recommends that the JBC sponsor a bill to provide a second year of supplemental financial support for FY 2022-23, since the new model being developed by the facility school work group (described below) will not be available before October 2022 and it is unlikely that the new model can be implemented much before July 1, 2023. If the new model is ready in time, staff anticipates that a portion of the funds could be used to begin implementation of the model in the second half of FY 2022-23.

## FACILITY SCHOOL WORK GROUP

Senate Bill 21-274 (Sustainable Model for Facility School Funding), a JBC bill, required the Department to convene a work group of stakeholders related to facility schools. The legislation required representation from various stakeholder groups and required the work group to define a target group of students, evaluate existing capacity to serve those students, and identify evidence based options for serving the students, including determining the capacity and funding required to adequately serve the target population of students. The work group is required to develop a model, no later than October 1, 2022, through which educational services will be made available to the target population, so that implementation can begin on or before July 1, 2023 and the model can be fully implemented by July 1, 2027.

The work group's duties include developing a report that identifies recommendations, including proposed statutory changes, to be submitted the JBC by December 31, 2022. The original appropriation for the work group was for \$500,000 General Fund for FY 2021-22. The supplemental appropriation bill for the Department includes a footnote allowing unspent amounts to be expended in FY 2022-23, given the timeline for the work group's duties. The funding provided for the work group includes resources for contracting with a facilitator and experts to help gather and analyze relevant data and write required reports.

*STATUTORY AUTHORITY:* Section 22-2-407.5, C.R.S.

*REQUEST:* This was a one-time appropriation. The Department did not request additional funding for this line item for FY 2022-23.

*RECOMMENDATION:* Staff does not recommend an appropriation for the work group for FY 2022-23. Funding appropriated for FY 2021-22 and rolled forward should be sufficient to cover any FY 2022-23 costs.

## (VI) OTHER ASSISTANCE

## APPROPRIATED SPONSORED PROGRAMS

This line item reflects federal funding anticipated to be received by the Department. This section also provides cash funds spending authority for the Department to receive fees related to conferences, some grant funds, and transfers from other agencies. The vast majority of funds reflected in this section are distributed directly to local school districts, and the balance is utilized by the Department to fund state-wide efforts, to provide technical assistance to school districts, and to cover Department administrative costs. Matching requirements for the federal funds, where required, are generally met by using other Department funds, school district funds, and other “non-state” funds. Thus, no General Fund appropriation is included in this line item.

*STATUTORY AUTHORITY:* Sections 22-2-117 and 22-30.5-101, C.R.S. Various federal statutes.

*REQUEST:* The Department requests \$268,343,009, including \$2,753,111 cash funds a continuation appropriation of \$426,750,915 (including \$2,751,139 cash funds from fees and gifts, grants, and donations and \$265,589,898 federal funds) and 56.1 FTE. The request includes a reduction of \$651,922 reappropriated funds transferred from the Department of Human Services and 6.0 FTE for NPBA 4 (Transfer Department of Early Childhood). It also includes \$208,801 total funds to annualize prior year salary survey and \$31,425 total funds to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends \$694,326,924, including \$2,500,000 cash funds and \$691,826,924 federal funds.

- As discussed earlier in this packet this packet, the cash funds amount includes a reduction of \$250,000 to set the cash funds amount at \$2,500,000. This is closer to the Department's recent-year expenditures of cash funds in the line item (\$2,302,154 in FY 2019-20 and \$2,226,457 in FY 2020-21). The amount is from gifts, grants, and donations.
- The recommendation as shown does not include reappropriated funds, but this amount is *pending*. The appropriation in FY 2021-22 included \$651,922 transferred from the Department of Human Services for early childhood services. The FY 2022-23 request removes this amount pursuant to nonprioritized request NPBA 4 (Transfer Department of Early Childhood), which the Committee will consider during figure setting for the Department of Human Services Office of Early Childhood and the new Department of Early Childhood.
- As also discussed earlier in this document, the federal funds amount includes a significant increase to reflect the estimated impact of federal COVID relief funding allocated to school districts. As described in the staff budget briefing in November 2021, the vast majority of federal Elementary and Secondary Education Emergency Relief (ESSER) funds--\$1.4 billion--had not been spent as of October 2021, representing over \$1,600 per pupil. As shown below, the Department now expects that \$485.6 million in federal COVID relief funds, comprised primarily of ESSER funds, will be expended in FY 2021-22. As remaining funds must be expended by September 30, 2024 or earlier, staff assumes COVID relief spending similar to the FY 2021-22 estimate in FY 2022-23 and FY 2023-24. Given the scale of the one-time funds, staff believes it may be helpful to

reflect this estimate in the budget. The Department also expects to reflect the expenditure of these dollars through this line item.

APPROPRIATED SPONSORED PROGRAMS - FEDERAL FUNDS		
	FY 2020-21 ACTUAL	FY 2021-22 ESTIMATE (RECOMMENDED FOR FY 2022-23 ESTIMATE)
<b>Grants Not Related To COVID Relief</b>		
Adult Education - WIA	\$7,743,190	\$8,000,000
After School Learning Centers	11,388,280	11,500,000
Charter School Grant	6,591,899	6,000,000
CO Troops to Teachers	271,835	25,000
Comprehensive State Literacy	66,296	100,000
Early Literacy	57,210	100,000
Educate Homeless Children	824,680	900,000
Growing Readers	179,586	150,000
Improving Student Health	327,564	175,000
Improving Student Health Supplemental	0	175,000
Migrant Education	6,311,124	6,000,000
Migrant Education Consortium	38,542	132,188
NAEP	140,479	104,003
Neglected Delinquent	427,586	433,919
Project AWARE	124,576	1,170,245
Project Rise SLDS	611,190	254,241
Rural and Low Income	439,876	400,630
School Climate Transformation	764,562	768,542
School Nurse Workforce Initiative	0	71,569
Sexual Avoidance	441,696	794,350
Student Support	8,951,213	9,000,000
Title I Programs	139,015,090	140,000,000
Title II Programs	20,732,604	20,000,000
<b>Total</b>	<b>\$205,449,081</b>	<b>\$206,254,687</b>
<b>COVID Relief Funding</b>		
CARES Act ESSER I	\$52,806,426	\$86,340,195
CARES Act ESSER II	14,000,163	315,051,602
CARES Act ESSER III	0	70,307,944
CARES Act Improving Student Health	296,113	40,662
CDPHE COVID 19 Testing	0	267,279
EANS (Non Public Schools)	34,182	12,088,011
EANS Non Public Payroll	0	202,437
GEER CSI Per Pupil	652,967	6,771
GEER Quality Teacher	1,214,731	1,267,335
GEER Schools of Choice	4,951,120	0
<b>Total</b>	<b>\$73,955,702</b>	<b>\$485,572,237</b>
<b>Total including COVID Relief Funding - Federal Funds</b>	<b>\$279,404,784</b>	<b>\$691,826,924</b>

The total federal COVID Relief grants awarded in 2020 and 2021 are shown below. This includes federal Elementary and Secondary School Emergency Relief (ESSER) funds (I,II, and III) included in federal Coronavirus Aid Relief and Economic Security Act (CARES Act - March 27, 2020), Consolidated Appropriations Act (CRSSA - December 27, 2020), and American Rescue Plan Act (ARPA - March 11, 2021) legislation, among other awards. The table below shows amounts *awarded*, most of which will be expended over several years.

GRANT TITLE	TOTAL AWARD
Governor's Emergency Education Relief (GEER)	\$3,135,361.26

GRANT TITLE	TOTAL AWARD
Emergency Assistance to Non-public Schools (EANS)	28,399,748.96
Elementary and Secondary School Emergency Relief (ESSER)	1,742,754,497.01
ARPA-Homeless	7,643,776.00
CDPHE COVID 19	9,944,989.30
CDC COVID 19	433,333.00
CARES Act-Improving Student Health	37,219.61
<b>Total</b>	<b>\$1,792,348,925.14</b>

The allocations and the spending deadlines for the largest of these fund sources--the ESSER funds--are shown in the table below.

FEDERAL ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND (ESSER)			
	ESSER I (CARES Act) March 2020	ESSER II (CRRS Act) December 2020	ESSER III (ARPA Act) March 2021
Total State Allocation	\$120,993,782	\$519,324,311	\$1,167,153,961
Allocation to LEAs (90% of total)	108,894,404 \$120.81 per pupil Title I formula	467,391,880 \$518.70 per pupil Title I formula	1,050,438,565 \$1,164.93 per pupil Title I formula
State Reserve (10% of total)	12,099,378	51,932,431	116,715,396
Funding Period	Though Sept 30, 2022	Through Sept 30, 2023	Through Sept. 30 2024
<b>Local Education Agency (LEA) Unspent Balances</b>			
Expenses Recorded and State Reimbursed as of 10/31/21	<u>95,939,309</u>	<u>106,492,141</u>	<u>0</u>
<b>Unexpended Balance of Total LEA Awards</b>	<b>\$12,955,095</b>	<b>\$360,899,739</b>	<b>\$1,050,438,565</b>

## SCHOOL COUNSELOR CORPS GRANT PROGRAM

Established in 2008 [Section 22-91-101, *et seq.*, C.R.S.], this competitive grant program provides grants to school districts, boards of cooperative services, and charter schools to increase the availability of effective school-based counseling within middle and secondary schools. The stated goal of the program is to increase the state graduation rate and to increase the percentage of students who appropriately prepare for, apply to, and continue into postsecondary education. Subject to available appropriations, the State Board awards three-year grants based on statutory criteria<sup>18</sup>. The State Board is required to give priority to schools at which the dropout rate exceeds the statewide average and/or the percentage of students eligible for free and reduced lunch exceed the statewide average. The Department is authorized to expend up to 2.0 percent of moneys annually appropriated for the Program to offset the costs incurred in implementing the program. This program is subject to available appropriations.

<sup>18</sup> These criteria include: the school's dropout rate, the percentage of students eligible for free or reduced price lunch, the percentage of students who graduate and enroll in postsecondary education within two years after graduating high school, whether the applicant has adopted or has committed to adopt national standards for school counselor responsibilities, and the likelihood that the recipient will continue to fund the increased level of school counseling services following the expiration of the grant.

The General Assembly appropriated \$5.0 million cash funds from the State Education Fund annually for the first four years of the program's operation (FY 2010-11 through FY 2013-14). The General Assembly increased the appropriation by \$3.0 million (to a total of \$8.0 million) cash funds in FY 2014-15 and added \$2.0 million more (to a total of \$10.0 million) in FY 2015-16.

Beginning in FY 2019-20, H.B. 19-1187 appropriated \$250,000 General Fund to this line item to assist students and families with completing state and federal financial aid applications. The bill required the General Assembly to appropriate \$250,000 per year for FY 2019-20, FY 2020-21, and FY 2021-22 and required the State Board of Education to distribute the appropriated funds to local education providers that receive a school counselor corps grant. Recipients must use the additional funding to: (1) develop and distribute information regarding the process for and benefits of completing the Free Application for Federal Student Aid (FAFSA) and state financial aid applications; (2) train school counselors on best practices to support students and families in the completion of applications, with an emphasis on communities with historically low completion rates; and (3) organize opportunities for students and families to meet with stakeholders who assist with the completion of aid applications.

House Bill 20-1418 suspended the requirement for a \$250,000 General Fund appropriation to support completion of financial aid applications for FY 2020-21 as a budget balancing measure. However, this funding was restored for FY 2021-22.

In the FY 2021-22 School Finance Act (S.B. 21-268) the General Assembly removed the statutory cap of \$10.0 million on appropriations for the School Counselor Corps Grant program and increased the appropriation by \$2,000,000 from the State Education Fund for FY 2021-22.

*STATUTORY AUTHORITY:* Section 22-91-101, et seq., C.R.S.

*REQUEST:* The Department requests an appropriation of \$12,260,970 total funds (including \$250,000 General Fund and \$12,010,970 cash funds from the State Education Fund) and 2.0 FTE for FY 2022-23. The request includes:

- Continuing the \$250,000 General Fund appropriation for grants to assist students and families with completing state and federal financial aid applications;
- An increase of \$9,830 from the State Education Fund to annualize FY 2021-22 salary survey; and
- An increase of \$1,140 from the State Education Fund to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends the request for \$12,260,970 total funds (including \$250,000 General Fund and \$12,010,970 cash funds from the State Education Fund) and 2.0 FTE for FY 2022-23. As discussed earlier in this packet, retaining the \$250,000 General Fund for grants to assist students and families in completing financial aid applications is a decision item for FY 2022-23, and related provisions repeal at the end of FY 2022-23. Staff recommends retaining funding for FY 2022-23. Other components of the request are consistent with Committee common policy.

The Department made significant changes to the program for FY 2013-14, including: (1) providing limited funding for the first year of the grant to support planning; (2) requiring reporting at the end of the planning year and using that reporting to determine whether to continue funding; (3) eliminating repeat funding for individual schools; and (4) increasing annual reporting and accountability required of grant recipients. Staff continues to support the Department's changes to the program and believes

the additional reporting information and oversight by the Department will allow for a more informed evaluation of the program in future years. Staff also notes that the program has been recognized nationally as a best practice by the Reach Higher Initiative.

### BOCES FUNDING PER SECTION 22-5-122, C.R.S.

The General Assembly created this program with an initial appropriation of \$1.3 million cash funds from the State Education Fund in H.B. 12-1345 to assist BOCES in working with partner districts to implement and meet the state's educational priorities. With the enactment of H.B. 14-1298 (School Finance), the General Assembly increased the appropriation by \$2.0 million (to a total of \$3.3 million) in FY 2014-15 and has maintained that level in subsequent years. The Department reports using funds to support the implementation of: educator effectiveness; accountability and improvement planning; standards and assessments; and early literacy efforts under H.B. 12-1238.

*STATUTORY AUTHORITY:* Section 25-2-122, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$3,320,784 cash funds from the State Education Fund and 1.0 FTE for FY 2022-23. The request includes an increase of \$2,244 cash funds from the State Education Fund to annualize FY 2021-22 salary survey and of \$260 cash funds from the State Education Fund to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends the request for an appropriation of \$3,320,784 cash funds from the State Education Fund and 1.0 FTE for FY 2022-23. The calculation is consistent with Committee common policy.

### CONTINGENCY RESERVE FUND

The Contingency Reserve Fund, created in Section 22-54-117 (1) (a), C.R.S., provides a fund source for the State Board of Education to assist school districts facing specific circumstances. Section 22-54-117 (1), C.R.S., authorizes the State Board to approve payments from the Contingency Reserve Fund to assist school districts under the following circumstances:

- (a)(I): financial emergencies caused by an act of God or arising from extraordinary problems in the collection of taxes;
- (a)(II): financial emergencies caused by nonpayment of property taxes pending the outcome of an administrative appeal or litigation or both challenging the inclusion of the value of certain property in a county's abstract of assessment, which resulted from a change in the applicable state law;
- (a)(III): revenues are insufficient to make abatements and refunds of property taxes;
- (a)(IV): unforeseen contingencies (e.g., reductions in valuation exceeding 20 percent);
- (a)(V): unusual financial burden caused by the instruction of court-ordered or agency-placed non-resident children;
- (a)(VI): unusual financial burden caused by the instruction of children who move into the district following the pupil count date (applies to small districts only);
- (a)(VII): unusual financial burden caused by a significant enrollment decline pursuant to a reorganization;

- (a)(VIII): beginning in FY 2016-17, unusual financial burden caused by a significant reduction in assessed value within a district whose state share of total program prior to the application of the negative factor was less than 0.5 percent of total program funding in the previous budget year and the reduction in assessed value is causing a negative factor reduction in the budget year; and
- (b): in cases of extreme emergency, other factors that affect the ability of the district to maintain its schools without additional financial assistance.

Section 22-54-117 (1)(a), C.R.S., indicates that, "In deciding the amount to be appropriated to the contingency reserve, the general assembly may take into consideration any recommendations made by the department of education, but nothing in this section shall be construed to obligate the general assembly to provide supplemental assistance to all districts determined to be in need or fully fund the total amount of such need."

Pursuant to Section 22-54-117 (1)(c), C.R.S., when a school district reimburses the State for supplemental assistance received from the Contingency Reserve, the reimbursement is credited to the Contingency Reserve Fund rather than the General Fund. Thus, these repayments may then be made available to meet other districts' needs.

*STATUTORY AUTHORITY:* Section 22-54-117, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$1.0 million cash funds from the Contingency Reserve Fund, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends approving the request. Staff notes that no amounts have been expended from the Contingency Reserve in recent years. If the \$1.0 million currently in the fund is not used in FY 2021-22, it will be available for appropriation in FY 2022-23. The Department indicates that there may be a draw on the fund in FY 2021-22, but this is not yet certain. If there is a draw in FY 2021-22, a General Fund appropriation into the fund may be required. Staff will bring recommended adjustments to the Committee if there are expenditures from the fund in FY 2021-22. This could occur before the Long Bill is finalized or potentially through the supplemental budget process next legislative session.

## SUPPLEMENTAL ON-LINE EDUCATION SERVICES

Pursuant to H.B. 06-1008 [Section 22-5-119, C.R.S.], this program provides funding to ensure that supplemental on-line courses are affordable for school districts, BOCES, and charter schools. This line item provides funding to the Colorado River BOCES (formerly part of the Mountain BOCES) to contract with a supplemental on-line course provider to offer on-line courses at a cost of no more than \$200 per student per semester course. This is subject to available appropriations. The source of funding is federal mineral lease revenues that are credited to the State Public School Fund.

For FY 2007-08 through FY 2015-16, the General Assembly annually appropriated \$480,000 cash funds for this purpose. The enactment of H.B. 16-1222 (Supplemental Online and Blended Learning Resources) increased the appropriation to \$960,000 in FY 2016-17. The General Assembly increased the appropriation to \$1,020,000 for FY 2017-18 and further increased the appropriation to \$1,220,000 in FY 2018-19. The Colorado River BOCES is contracting with two providers, Colorado Digital



Learning Solutions (providing courses) and the iLearn Collaborative (providing blended learning professional development opportunities to districts and schools), to operate the program.

The Colorado River BOCES has reported significant increases in enrollment in this program since 2015, with course enrollments increasing from 432 in FY 2015-16 to more than 3,604 in FY 2019-20. Similarly, the number of different *students* using the courses has increased: the program enrolled 296 individual students in FY 2015-16 but has 1,326 students had enrolled in the Spring 2020 semester alone (and a total of 2,859 students in FY 2019-20). The program reported further increases in FY 2020-21 with the impact of the COVID-19 pandemic. The Governor's Office and Department expanded access to the program during the pandemic through the use of federal COVID relief funds.

*STATUTORY AUTHORITY:* Section 22-5-119, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$1,220,000 cash funds from the State Public School Fund for FY 2022-23, with no change from the FY 2020-21 appropriation.

*RECOMMENDATION:* Staff recommends approving the request, which is consistent with the Committee's common policies. Federal mineral lease revenues (which are deposited into the State Public School Fund) that are not appropriated for this purpose could instead be appropriated for the State Share of Districts' Total Program Funding, thereby mitigating any reduction to school districts' total program funding.

JBC staff has previously observed that this program model as a cost-effective way to ensure that schools – particularly rural school districts – are able to purchase on-line courses to supplement their course offerings and help students comply with higher education admission guidelines.

## INTERSTATE COMPACT ON EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN

Through H.B. 08-1317 [see Sections 22-90-101 and 24-60-3401, C.R.S.], the General Assembly approved and ratified and authorized the Governor to enter into the Interstate Compact on Educational Opportunity for Military Children on behalf of the State. This compact was developed by the Council of State Governments. The Military Interstate Children's Compact Commission (MIC3) is a separate, non-profit entity based in Lexington, Kentucky. All 50 states have now adopted the Compact. Member states agree, as part of the Compact, to pay an annual assessment to cover the cost of the operations and activities of the Commission.

The Compact is intended to remove barriers to educational success that children of military families experience due to either frequent moves and/or the deployment of their parents. The Compact provides for uniform treatment of military children transferring between school districts and states. Specifically, the Compact addresses the following issues facing children of active duty service members, of members who die on active duty, and of veterans:

- *Enrollment* - educational records, immunizations, and kindergarten and 1<sup>st</sup> grade entrance age
- *Placement and Attendance* - course and educational program placement, special education services, placement flexibility, and absence related to deployment activities
- *Eligibility* - eligibility for student enrollment and extracurricular activities

- *Graduation* - waiving course requirements if similar courseware has been completed; flexibility in accepting state exit and end-of-course exams, national achievement tests, or alternative testing in lieu of graduation testing requirements; and allowing a student to receive a diploma from a sending school district

*STATUTORY AUTHORITY:* Sections 22-90-101 and 24-60-3401, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$21,298 cash funds from the State Education Fund for FY 2022-23, with no change from the FY 2020-21 appropriation.

*RECOMMENDATION:* Staff recommends the request for continuation funding, consistent with Committee common policy.

### TEACHER RECRUITMENT EDUCATION AND PREPARATION PROGRAM (TREP)

Senate Bill 21-185 (Supporting Educator Workforce in Colorado) creates the Teacher Recruitment Education and Preparation (TREP) program to allow students to concurrently enroll in postsecondary courses for two years following the student's twelfth grade year and specifies requirements for designation as a TREP program participant (including that the student be in the teaching career pathway). Beginning with the 2022-23 school year, the bill requires the General Assembly to annually decide on the number of TREP program participants to fund in the Long Bill (to be funded at the same per pupil amount as Accelerating Students through Concurrent Enrollment (ASCENT) program participants). The bill specifies that for FY 2022-23, the General Assembly shall appropriate funding for no more than two hundred program participants.

*STATUTORY AUTHORITY:* Section 22-35-108.5, C.R.S.

*REQUEST:* The Department requests \$1,737,458 General Fund and 0.4 FTE in a Teacher Recruitment Education and Preparation Program line item. This includes the addition of \$1,691,912 General Fund and a reduction of 0.1 FTE for the second year impact of S.B. 21-185 (Supporting Educator Workforce in Colorado).

*RECOMMENDATION:* As discussed earlier in this document, **staff recommends funding for this program but does not recommend any funding for this line item.** Instead, staff recommends:

Based on the legislation, which authorizes the General Assembly to appropriate funding for no more than 200 program participants in FY 2022-23, staff recommends setting funding for this program initially based on the following calculation:

- \$1,699,476 General Fund for school district funding, based on \$8,497.38 (ASCENT per pupil funding for FY 2022-23 in the Long Bill) x 200 pupils
- \$29,258 General Fund and 0.4 FTE for second-year administrative costs

Staff further recommends:

- The funding for school districts should be incorporated into the **State Share of Districts' Total Program Funding** in the School Finance section of the Long Bill.

- The funding for administration should be added to the Educator Effectiveness Unit Administration, where all other administrative costs associated with S.B. 21-185 programs is located.

## EDUCATOR RECRUITMENT AND RETENTION PROGRAM - FINANCIAL ASSISTANCE

Senate Bill 21-185 (Supporting Educator Workforce in Colorado) creates the Educator Recruitment and Retention Program. The program is designed to: support the transition of members of the armed forces into a second career to serve as educators; support nonmilitary-affiliated educator candidates preparing to serve as educators; match members of the armed forces and nonmilitary-affiliated educator candidates with high need schools, including in rural districts; and fill teaching positions in subject areas affected by the educator workforce.

The program provides:

- Educator recruitment support through one-on-one counseling, career and teacher job fairs, substitute teacher boot camps; job placement platforms for educators and local education providers; candidate coaching for job placement opportunities; professional development through the first three years of service as an educator; and retention counseling for local education providers.
- Financial assistance of up to \$10,000 for the tuition costs of an educator preparation program in which a qualified applicant is enrolled if the applicant agrees to teach for a period of three years in a rural or small rural district. Funding is subject to repayment if the applicant does not fulfill the service condition.

The program is open to:

- Members of the armed forces and those honorably discharged, with financial assistance available only for those who apply within three years after military retirement or separation;
- Individuals who have a baccalaureate or higher degree;
- Individuals employed as paraprofessionals and working toward a baccalaureate degree to pursue teacher licensure; and
- Individuals who meet state career and technical education requirements or have 18 semester hours of postsecondary enrollment and six years of military experience in a career or technical field.

Senate Bill 21-185 included an appropriation of \$5,000,000 General Fund for the financial assistance portion of the program, and the fiscal note reflected this amount as ongoing.

The administrative costs related to this program, as well as \$575,000 General Fund for educator recruitment and support services, is included in the Educator Effectiveness Unit Administration line item.

*STATUTORY AUTHORITY:* Sections 22-60.3-201 through 205, C.R.S.

*REQUEST:* The Department requests \$5,000,000 General Fund for the Educator Recruitment and Retention Program line item.

*RECOMMENDATION:* Staff recommends the request for \$5,000,000 General Fund for the Educator Recruitment and Retention Program line item and recommends that the line item name specify that the funding is for financial assistance, consistent with the original appropriation in S.B. 21-185.

## COLLEGE AND CAREER READINESS

The General Assembly added this line item to the FY 2014-15 Long Bill to provide additional technical assistance associated with college and career readiness reforms. Specifically, the Department requested the creation of the line item to increase assistance related to individual career and academic plans (ICAPs), new statewide graduation guidelines, concurrent enrollment programs, and the implementation of school and district innovation status.

Senate Bill 19-176 (Expanding Concurrent Enrollment Opportunities) modifies concurrent enrollment programs and requirements and requires the Department to provide support to local education providers and to develop a website providing information on concurrent enrollment requirements. For FY 2019-20, the bill appropriated \$44,916 and 0.5 FTE to the College and Career Readiness line item to support those efforts, with the majority of that funding continuing in subsequent years.

*STATUTORY AUTHORITY:* Section 22-2-136, C.R.S.

*REQUEST:* The Department requests an appropriation of \$232,731 General Fund and 2.4 FTE for FY 2022-23. The request includes an increase of \$5,736 General Fund to annualize FY 2021-22 salary survey and \$733 General Fund to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends approving an appropriation of \$232,731 General Fund and 2.4 FTE for FY 2022-23. The calculation is consistent with Committee common policy.

## WORKFORCE DIPLOMA PILOT PROGRAM

The General Assembly added this this line item to the FY 2020-21 Long Bill to support the Workforce Diploma Pilot Program created in H.B. 19-1236 (Workforce Diploma Pilot Program). As authorized in the bill, the program provides performance payments to qualified providers of dropout recovery services for eligible adult students (residents of Colorado that are at least 21 years old and do not have a high school diploma) who achieve specific education milestones. The bill requires the Department to review provider qualifications, determine eligibility, and publish a list of providers that meet the necessary criteria.<sup>19</sup>

Qualified providers are eligible for payments for educational outcomes achieved at least 30 days after the Department publishes the list of eligible programs each year. The bill requires the Department to disburse payments to qualified providers in specific amounts for the completion or attainment of specific outcomes by eligible students (e.g., \$250 for completion of each half-credit earned, between \$250 and \$750 for attainment of an industry-recognized employment skills certification (depending

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<sup>19</sup> For FY 2019-20, the Department has identified six providers: Colorado Mountain College, GlobalEd Solutions, Graduation Alliance, McClain Community High School (Jefferson County Public Schools), Pikes Peak Library District Adult Education, and Pueblo City-County Library District. See: <http://www.cde.state.co.us/cdeadult/wdpp>

on the amount of training required), and \$1,000 for the completion of an accredited high school diploma). The bill limits payments to no more than \$7,000 per student (to one or more providers). The Department is required to pro-rate payments (reducing all payments by the same percentage) if insufficient funds are available to make the full payments.

House Bill 19-1236 included an appropriation of \$1,012,201 General Fund and 0.2 FTE to support the program in FY 2019-20. Facing the budget crisis for FY 2020-21, the General Assembly reduced the appropriation to \$212,222 General Fund and 0.2 FTE for FY 2021-22 (a reduction of \$799,979 below the FY 2019-20 appropriation) as a budget balancing measure. The Department proposed that the General Assembly eliminate appropriations for the program for FY 2021-22 and make a statutory change to suspend the program for one year. While this did not occur, under current law the program repeals July 1, 2022.

*STATUTORY AUTHORITY:* Section 22-10.3-101 through 105, C.R.S.

*REQUEST:* The Department requests an appropriation of \$212,878 General Fund and 0.2 FTE. The request includes an increase of \$577 General Fund to annualize prior year salary survey and \$79 General Fund to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff does not recommend funding for this line item in the Long Bill. As discussed earlier in this document, this program repeals July 1, 2022 under current law. Therefore, any funding for this program for FY 2022-23, if approved, will need to be provided through new legislation that reauthorizes or extends the repeal date for the program.

## CONCURRENT ENROLLMENT EXPANSION AND INNOVATION GRANT PROGRAM

The General assembly added this line item to the FY 2020-21 Long Bill to support the Concurrent Enrollment Expansion and Innovation Grant Program created in S.B. 19-176 (Expanding Concurrent Enrollment Opportunities). Senate Bill 19-176 requires each local education provider that enrolls students in grades 9-12 to provide concurrent enrollment opportunities (which may include coursework related to apprenticeship programs or internship programs) for qualified students beginning in the FY 2020-21 school year. The bill created the Concurrent Enrollment Expansion and Innovation Grant Program to support the creation and expansion of concurrent enrollment opportunities through partnerships between local education providers and institutions of higher education. Grants may be used to:

- Assist teachers with the cost of obtaining a graduate degree that allows the teacher to teach a postsecondary course.
- Cover the cost of books, supplies, fees, and transportation.
- Purchase technology to share data and streamline the enrollment process.
- Provide services, support, and coordination resources for local education providers and institutions of higher education.

For FY 2019-20, the bill appropriated \$1.5 million cash funds from the Marijuana Tax Cash Fund for the grant program. While the Committee had initially approved an increase of \$1.0 million General Fund for FY 2020-21 (based on a decision item), that increase was eliminated as a budget balancing measure for FY 2020-21 and the appropriation continued at \$1.5 million cash funds from Marijuana

Tax Cash Fund. For FY 2021-22, the Long Bill included \$1.5 million cash funds from the Marijuana Tax Cash Fund and this was increased in S.B. 21-268 (Public School Finance) by \$1,750,000 cash fund from the Workers, Employers, and Workforce Centers Cash Fund from money originating as federal Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act (ARPA funds). Because the Department is unable to fully expend the FY 2021-22 increase this year, the JBC added a footnote through the supplemental appropriation bill for the Department of Education that will allow unexpended funds to roll forward for expenditure in FY 2022-23.

*STATUTORY AUTHORITY:* Section 22-35-114, C.R.S.

*REQUEST:* The Department requests an appropriation of \$1,476,896 cash funds from the Marijuana Tax Cash Fund for FY 2022-23. This includes an adjustment to annualize (eliminate) the FY 2021-22 ARPA funds appropriation, which was provided for one year only.

*RECOMMENDATION:* Staff recommends approving the request for \$1,476,896 cash funds from the Marijuana Tax Cash Fund for FY 2022-23. This funding will be supplemented by amounts rolled-forward from the one-time FY 2021-22 ARPA funds appropriation.

## COLORADO HIGH IMPACT TUTORING PROGRAM

House Bill 21-1234 (Supplemental Education High-impact Tutoring Programs) created the Colorado High-impact Tutoring Program to provide grant funding to local education providers to create high-impact tutoring programs to address learning loss and unfinished learning related to the COVID-19 pandemic. The bill authorized local education providers to apply for grants and specified required components of applicants' program plans as well as criteria that the Department must use in awarding grants. In any year in which grants are provided, the bill requires participating local education providers to report certain information to the Department and requires the Department to report to the education committees of the General Assembly. For FY 2021-22, the bill appropriated \$4,981,720 General Fund and 1.1 FTE to the Department of Education. The program repeals July 1, 2026.

*STATUTORY AUTHORITY:* Sections 22-105-101 through 107, C.R.S.

*REQUEST:* The Department requests \$4,980,098 General Fund and 1.2 FTE. This includes a reduction of \$1,622 General Fund and an increase of 0.1 FTE for the second-year impact of H.B. 21-1234.

*RECOMMENDATION:* Staff recommends the request for \$4,890,098 General Fund and 1.2 FTE. The amount is consistent with the fiscal note for H.B. 21-1234 and Committee common policy. Staff notes that educational disruptions caused by the COVID-19 pandemic have caused significant learning loss, and it will take multiple years of intervention to address these affects. Information on the Department's website indicate that the FY 2021-22 appropriations have been awarded to 21 grantees, including school districts and individual charter schools.

## PART C EARLY INTERVENTION ACTIVITIES CONDUCTED BY ADMINISTRATIVE UNIT

Senate Bill 21-275 (Child Find Responsibilities), a JBC bill, transferred the responsibility of performing Part C of the Individuals with Disabilities Education Act ("Child Find") from the Department of

Education to the Department of Human Services on July 1, 2022; except that, on and after May 1, 2022, the Department of Human Services shall administer the referral intake process for Part C Child Find evaluations. The bill requires the Department of Education and the Department of Human Services to enter into an interagency operating agreement concerning the coordination of transitions of children from Part C Child Find to Part B Child Find (Special Education). The bill included an appropriation of \$8,266,779 General Fund to the Department of Human Services for FY 2021-22 and reappropriated \$6,888,983 of that amount to the Department of Education.

*STATUTORY AUTHORITY:* Section 22-20-114, C.R.S.

*REQUEST:* The Department does not request any funding for this program for FY 2022-23.

*RECOMMENDATION:* Staff does not request any funding for this program for FY 2022-23, as the Part C program is moved to the Department of Human Services for FY 2022-23.

### JOHN W. BUCKNER AUTOMATIC ENROLLMENT IN ADVANCED COURSES GRANT PROGRAM

Senate Bill 19-059 (Automatic Enrollment in Advanced Courses Grant Program) created the John W. Buckner Automatic Enrollment in Advanced Courses Grant Program to provide assistance to local education providers that automatically enroll students in advanced courses (including Advanced Placement courses, International Baccalaureate courses, or any courses designated as honors, gifted, or accelerated). To be eligible, a local education provider must automatically enroll each qualified student (based on scores from the statewide assessments in the previous year or on another measure defined by the local education provider) entering ninth grade or higher in an advanced course. The local education provider must allow a parent to remove their student from the advanced course if requested.

Recipients may use the grants to:

- Expand the number of advanced courses available, including through the use of technology.
- Incentivize teachers to teach advanced courses (but not to hire new teachers).
- Develop advanced course curricula.
- Expand parent and student engagement related to advanced course availability and success.

Senate Bill 19-059 included an appropriation of \$250,000 General Fund and 0.3 FTE to support the program in FY 2019-20. During the 2021 Session, the General Assembly reduced that appropriation to \$50,000 for FY 2019-20 and eliminated the appropriation for FY 2020-21 to delay implementation of the program as a budget balancing measure. The General Assembly restored funding to \$250,000 General Fund and 0.3 FTE for FY 2021-22 in S.B. 21-268 (Public School Finance).

*STATUTORY AUTHORITY:* Section 22-95.5-201 through 204, C.R.S.

*REQUEST:* The Department requests continuation funding of \$250,000 General Fund and 0.3 FTE for FY 2022-23.

*RECOMMENDATION:* Staff recommends continuation funding of \$250,000 General fund and 0.3 FTE for FY 2022-23.

## EARLY CHILDHOOD PROGRAM TRANSITION

House Bill 21-1304 (Early Childhood System) creates the Department of Early Childhood, effective July 1, 2022. Among other provisions, the bill includes an appropriation of \$96,867 General Fund to support 0.9 FTE in the Department of Education for FY 2021-22. The fiscal note for the bill indicates that 1.0 FTE is required for FY 2021-22 and FY 2022-23 to serve as a project manager for the transition process.

*STATUTORY AUTHORITY:* Section 26-6.2-301 et. seq., C.R.S.

*REQUEST:* The Department requests \$98,787 General Fund and 1.0 FTE for FY 2022-23, including an increase of \$1,920 General Fund and 0.1 FTE for the second year impact of H.B. 21-1304.

*RECOMMENDATION:* Staff recommends the request for \$98,787 General Fund and 1.0 FTE for FY 2022-23. The calculation is consistent with Committee common policy.

## HIGH SCHOOL INNOVATIVE LEARNING PILOT PROGRAM

The General Assembly added this line item to the FY 2020-21 Long Bill to support the High School Innovative Learning Pilot Program created in S.B. 19-216 (High School Innovative Learning Pilot) to increase innovative learning opportunities for high school students. Statutory provisions define innovative learning opportunities as activities that usually occur outside of the classroom and may include work-based learning, such as apprenticeships, competency-based learning projects, capstone projects, and other learning experiences. Under the bill, local education providers may propose an innovative learning plan that permits high school students to participate in innovative learning opportunities prior to graduation. Providers that the Department selects to participate in the pilot program may count students participating in those opportunities as full-time students for school finance purposes, regardless of the actual amount of instructional time or contact hours for which the student is enrolled.

The bill required the State Board of Education to adopt rules for the program, including application requirements and timelines, and included criteria for the selection of pilot program participants. Local education providers could submit applications to the Department in FY 2019-20, with participation actually beginning in FY 2020-21. The bill included an appropriation of \$129,563 General Fund and 0.3 FTE for FY 2019-20, and funding at a similar level was continued in FY 2020-21.

For FY 2021-22, the Long Bill included \$127,095 and 0.3 FTE, but this amount was increased by \$220,115 and 0.3 FTE in S.B. 21-106 (Concerning Successful High School Transitions). This bill modified the program to allow a school of a school district or of a board of cooperative services to participate in the program independently. It also required the Department and the State Board of Education to consider whether the applying program would provide opportunities for apprenticeships, technical training through an industry provider, teacher training, concurrent enrollment, and certificates. The fiscal note for the bill indicated that the program as originally created supported a \$100,000 contract with a nonprofit and 0.2 FTE and was expected to have 17 participants in FY 2021-22. The additional funding in S.B. 21-106 was to support an additional 0.2 FTE and



\$200,000 for technical assistance, which was expected to support 20 new participants and increase support for all participants. The program repeals July 1, 2025.

*STATUTORY AUTHORITY:* Section 22-35.6-101 through 107, C.R.S.

*REQUEST:* The Department requests \$417,247 General Fund and 0.6 FTE, including an increase of \$70,037 for the second-year impact of S.B. 21-106.

*RECOMMENDATION:* Staff recommends \$349,039 General Fund and 0.6 FTE in this line item. This includes an increase of \$1,829 General Fund for the second-year impact of S.B. 21-106 on personal services and operating costs for the High School Innovative Learning Pilot Program.

As discussed earlier in this document, most of the second-year impact of S.B. 21-106 is not driven by the High School Innovative Learning Pilot Program but by a separate program created in S.B. 21-106, the Fourth-Year Innovation Pilot Program. Because this second program is significantly different and its funding will vary each year based on program participation, staff recommends that the Fourth-Year Innovation Pilot Program receive appropriations in a separate line item.

#### FOURTH-YEAR INNOVATION PILOT PROGRAM - DISTRIBUTIONS TO LEPS

The Fourth-year Innovation Pilot Program was created in S.B. 21-106 (Concerning Successful High School Transitions). Although the program was created in the Department of Higher Education, the Department of Education has related statutory responsibilities. The program provides state funding for low-income students who graduate early from high school to use for postsecondary education and also provides incentives to the local education providers (LEPs) that graduate these students early. It is limited to five local education providers or group of providers, with the first cohort of graduates graduating early during FY 2021-22 and the last graduating during FY 2025-26.

The bill specifies that beginning in FY 2022-23, eligible students who graduate prior to their fourth year of high school will receive the greater of 75.0 percent of the state share of FY 2021-22 average per pupil funding (as calculated in the 2021 legislative session) or \$3,500 toward college tuition and fees, and students who graduate prior to the second semester of their fourth year of high school will receive the greater of 45.0 percent of state share of FY 2021-22 average per pupil funding (as calculated in the 2021 legislative session) or \$2,000 toward college tuition and fees. A local education provider which graduates a students before their fourth year of high school receives 25 percent of the state share of FY 2021-22 average per pupil funding (as calculated in the 2021 legislative session). The bill sets eligibility criteria for participation in the new pilot program and creates reporting requirements.

*STATUTORY AUTHORITY:* Section 23-3.3-1301 et. seq., C.R.S.

*REQUEST:* The Department requested funding for the second year impact of S.B. 21-106, which includes distributions to local education providers for the Fourth-year Innovation Pilot Program, but it requested the funding in the High School Innovation Pilot Program line item.

*RECOMMENDATION:* Staff recommends an appropriation of \$68,208 General Fund to support distributions to local education providers who graduate students early, based on the provisions of the bill and estimates in the fiscal note. As indicated in the fiscal note for the bill, the average state share

per pupil included in S.B. 21-268 (Public School Finance) was \$5,457. Assuming that 100 students participate in the program, with half graduating prior to their fourth year and half graduating prior to the second semester of their fourth year, participating local education providers would receive \$68,208, based on \$1,365.16 (25% of the state share of average per pupil funding, as defined) x 50 students who graduate before their fourth year.

Actual expenditures will be based on the number of early graduates who are reported by the participating LEPs to the Departments of Education and Higher Education on July 1, 2022 and each year thereafter.

## PARENTS ENCOURAGING PARENTS CONFERENCES

The General Assembly added this line item to the FY 2020-21 Long Bill to support the Parents Encouraging Parents (PEP) conferences authorized in S.B. 19-215 (Parents Encouraging Parents Conference). The bill requires the Department of Education to provide up to four PEP conferences per year for parents and families of children with disabilities. The conferences bring together parents and families of children with disabilities and professionals in the field to offer education, support, and information, and to provide a forum for discussion.

The conferences have historically been funded entirely with federal funds provided through the federal Individuals with Disabilities Education Act (IDEA). However, beginning in FY 2018-19, the U.S. Department of Education will now allow the use of federal funds to provide food for the conference participants. Federal funding continues to cover facility, lodging, and conference costs. The state funding (\$68,000 General Fund appropriated in S.B. 19-215) is intended to cover food costs for the four conferences each year.

*STATUTORY AUTHORITY:* Section 22-20-120, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$68,000 General Fund for FY 2022-23, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends approving the request for continuation funding, consistent with Committee common policy.

## CAREER DEVELOPMENT SUCCESS PROGRAM

The Committee added this line item to the FY 2017-18 Long Bill to support the Career Development Success Pilot Program created in H.B. 16-1289 (Incentives to Complete Career Development Courses). The bill established the program on a pilot basis, for FY 2017-18 and FY 2018-19, to provide financial incentives for participating school districts and charter schools to encourage high school students to enroll in and successfully complete qualified industry certificate programs, internship or pre-apprenticeship programs, and advanced placement courses in computer science. Beginning in FY 2017-18, the bill authorized participating districts and charter schools to receive up to \$1,000 for each pupil who, in the preceding fiscal year, successfully completed a qualified program.

The bill required the General Assembly to appropriate \$1.0 million annually for incentive payments in FY 2017-18 and FY 2018-19. The General Assembly approved an increase of \$1.0 million General

Fund (for a total of \$2.0 million) for FY 2018-19 and an additional increase of \$3.0 million (for a total of \$5.0 million) for FY 2019-20. For FY 2020-21, the General Assembly reduced the appropriation to \$4.5 million General Fund as a budget balancing measure (\$0.5 million below the FY 2019-20 appropriation and \$1.5 million below the amount initially approved by the Committee during figure setting for FY 2020-21).

For FY 2021-22, the Long Bill included \$4,520,000 General Fund. Senate Bill 21-268 (Public School Finance) added \$1,750,000 from the Workers, Employers, and Workforce Centers Cash Fund from money originating as federal Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act (ARPA funds), for a total of \$6,270,000. After it was determined that these additional funds could not be expended in a manner required by federal rules, the JBC included a provision in the supplemental bill for the Department of Education which changed the source of the funds to General Fund deposited in the Workers, Employers, and Workforce Centers Cash Fund. The Department anticipated that, with this change, the funds could be expended in FY 2021-22 and would allow certificates and internship experiences to be fully funded (\$1,000 per industry certificate or qualifying internship/pre-apprenticeship program), and successful AP computer science test completions to be partially funded.

*STATUTORY AUTHORITY:* Section 22-54-138, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$4,520,000 General Fund for FY 2022-23, which includes annualizing (eliminating) one-time appropriations from the Workers, Employers, and Workforce Centers Cash Fund.

*RECOMMENDATION:* Staff recommends approving the request but notes that this is a program for which the General Assembly may wish to consider restoring General Fund support to the pre-pandemic level, particularly given that this initiative is not an option for use of federal funds.

## LINE ITEMS INCLUDED IN NUMBERS PAGES BECAUSE OF PRIOR YEAR FUNDING

### CONNECTING COLORADO STUDENTS GRANT PROGRAM FUND

House Bill 20B-1001 (Grants to Improve Internet Access in P-12 Ed) made a one-time appropriation of \$20.0 million General Fund to the Connecting Colorado Students Grant Program Fund in FY 2020-21 to support grants to improve internet access for K-12 education.

*STATUTORY AUTHORITY:* Section 22-103-101 through 106, C.R.S.

## (D) INDIRECT COST ASSESSMENT

### INDIRECT COST ASSESSMENT

This line item reflects indirect cost assessments for the various subdivisions and line items in the Assistance to Public Schools division. The Department uses the funds collected to offset General Fund that would otherwise be required in the Management and Administration division for General Department and Program Administration and a variety of centrally appropriated line items.

*STATUTORY AUTHORITY:* Section 24-31-101 and 102, C.R.S.

*REQUEST:* The Department requests an appropriation of \$3,627,060 total funds, including an increase of \$31,947 federal funds from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends the adjustments shown in the table below, based on updated information from the Department.

ASSISTANCE TO PUBLIC SCHOOLS, INDIRECT COST ASSESSMENT, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$3,595,113	\$0	\$25,000	\$55,571	\$3,514,542	0.0
<b>TOTAL</b>	<b>\$3,595,113</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$55,571</b>	<b>\$3,514,542</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$3,595,113	\$0	\$25,000	\$55,571	\$3,514,542	0.0
Indirect cost assessment	241,947	0	0	0	241,947	0.0
<b>TOTAL</b>	<b>\$3,837,060</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$55,571</b>	<b>\$3,756,489</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$241,947</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$241,947</b>	<b>0.0</b>
Percentage Change	6.7%	0.0%	0.0%	0.0%	6.9%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$3,627,060</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$55,571</b>	<b>\$3,546,489</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$210,000)	\$0	\$0	\$0	(\$210,000)	0.0

### (3) LIBRARY PROGRAMS

*Background Information:* Public libraries are managed and operated locally based on revenues raised from local sources.<sup>20</sup> The State provides no direct state funding to libraries other than those provided through the State Grants to Publicly-Supported Libraries program and has no authority over public library operations. However, the Commissioner of Education is designated as the ex officio State Librarian, and the State Library is a division within the Department of Education. The State Librarian

<sup>20</sup> Publicly supported libraries include public, school, and academic libraries. The Department indicates that Colorado has 113 public library jurisdictions with 263 public library buildings. The jurisdictions include one rural bookmobile service that is classified as a separate jurisdiction. Local libraries are funded through property, sales, and specific ownership tax revenues, as well as grants, donations, and fine revenues, though at least 30 libraries have enacted policies that eliminate fines on all or some materials. Most public library jurisdictions serve rural populations, with 83 percent (94 jurisdictions) serving populations under 50,000, and 40 percent (45 jurisdictions) serving fewer than 5,000 people. In addition to the typical items checked out, Colorado's libraries provide a variety of additional services, including: summer reading programs for children (94 percent); technology training (90 percent); free Wi-Fi access (96 percent); and an educational backpack for families with free state parks passes for checkout (100 percent participation), a joint program with Colorado Parks and Wildlife.

has a number of statutory duties and responsibilities, including the following [see Section 24-90-105, C.R.S.]:

- to promote and coordinate the sharing of resources and cooperative relationships among all Colorado libraries to reduce costs at the local level;
- to ensure equal access to information for all Coloradans;
- to furnish library or information services to state officials, departments, institutional libraries, and persons who are blind and physically disabled;
- to further library development and to promulgate service standards for school, public, and institutional libraries; and
- to receive and administer federal funds for libraries.

The State Library provides technical support, professional development, and resource sharing opportunities for publicly-supported libraries throughout the state. The State Library cooperatively manages the Colorado Virtual Library, a statewide, Internet-based library network that provides several services to Colorado residents, including:

- a statewide interlibrary loan system;
- Colorado Online Libraries - a web hosting services that allows small libraries to have a web presence;
- Colorado Historic Newspaper Collection; and
- development of digital infrastructure for improved access to state and local digitized materials and other electronic resources.

The State Library also provides development services for public libraries, school libraries, and institutional libraries in adult and youth correctional facilities and state veterans hospitals. Services to public and school libraries include support of early literacy activities and summer reading programs. The State Library also operates the State Publications Library (which provides free access to state government documents), the Colorado Talking Book Library (which provides free materials to individuals who are unable to read standard print material), and distributes funds to the Colorado Imagination Library Program (which gives free books to children from birth to five). Finally, the State Library provides research and statistical information to support policy-making, budgeting, planning, and evaluation activities for libraries and library agencies at the local, regional, state, and federal levels.

The following table summarizes the staff recommendation for the Library Programs division.

LIBRARY PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 Appropriation</b>						
FY 2021-22 Appropriation	\$10,164,833	\$5,825,483	\$287,413	\$760,000	\$3,291,937	38.1
<b>TOTAL</b>	<b>\$10,164,833</b>	<b>\$5,825,483</b>	<b>\$287,413</b>	<b>\$760,000</b>	<b>\$3,291,937</b>	<b>38.1</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$10,164,833	\$5,825,483	\$287,413	\$760,000	\$3,291,937	38.1
Annualize prior year legislation	508,092	500,629	0	0	7,463	2.7
Annualize prior year budget actions	73,729	24,244	0	0	49,485	0.0
<b>TOTAL</b>	<b>\$10,746,654</b>	<b>\$6,350,356</b>	<b>\$287,413</b>	<b>\$760,000</b>	<b>\$3,348,885</b>	<b>40.8</b>

LIBRARY PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	<b>\$581,821</b>	<b>\$524,873</b>	<b>\$0</b>	<b>\$0</b>	<b>\$56,948</b>	<b>2.7</b>
Percentage Change	5.7%	9.0%	0.0%	0.0%	1.7%	7.1%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$10,746,654</b>	<b>\$6,344,870</b>	<b>\$287,413</b>	<b>\$765,486</b>	<b>\$3,348,885</b>	<b>40.8</b>
Request Above/(Below) Recommendation	\$0	(\$5,486)	\$0	\$5,486	\$0	0.0

## DECISION ITEMS - LIBRARY PROGRAMS

The Department did not submit any request changes for this section. Staff has highlighted one technical adjustment.

### → SI TALKING BOOK LIBRARY FTE NOTATION, LINE ITEM NAME, AND FUND SOURCES - TECHNICAL ADJUSTMENTS TO ANNUALIZATION OF S.B. 21-115

The Department's request reflects the second year impact of S.B. 21-115 (Annual Funding for Talking Book Library). Because of minor technical differences between the fiscal note, the request, and the recommendation, staff is highlighting recommended adjustments here.

*BACKGROUND - TALKING BOOK LIBRARY:* The Colorado Talking Book Library is part of a national library program providing Braille, audio, and large-print books for individuals of all ages who are unable to read standard print material due to visual, physical, or learning disabilities. The Long Bill previously included a line item entitled "Colorado Talking Book Library, Building Maintenance and Utilities Expenses". During the 2021 legislative session, the General Assembly adopted S.B. 21-115 (Annual Funding for Talking Book Library Services), which *required* the General Assembly to appropriate funds from the Colorado Telephone Users with Disabilities Fund, managed by the Public Utilities Commission in the Department of Regulatory Agencies, to support the Talking Book Library. This bill also provided an FY 2021-22 appropriation of \$250,000 reappropriated funds in the Department of Education for this purpose.

*BACKGROUND - TELEPHONE USERS WITH DISABILITIES FUND:* Pursuant to Sections 40-17-103 and 104, C.R.S., the Public Utilities Commission (PUC) is required to administer a contract for the provision of telecommunications relay services (which allow individuals who have a hearing or speech disability to communicate by wire or radio). The PUC is required to recover the costs of providing these services by assessing a monthly surcharge on each telephone access line to cover the following costs:

- The PUC's costs of developing, implementing, and administering telecommunications relay services (not to exceed 3.0 percent of the total costs).
- The cost to local exchange companies of imposing and collecting the surcharge.
- The costs of providers rendering telecommunications relay services.

The PUC adjusts this surcharge annually, when necessary. Current law credits funds collected by the local exchange companies to the Colorado Telephone Users with Disabilities Fund and authorizes

three different departments to use the funds. The FY 2021-22 appropriations to the Department of Regulatory Agencies include the following appropriations from the Fund to the Department of Regulatory Agencies, including amounts appropriated in the Long Bill and S.B. 21-115 (Annual Funding for Talking Book Library Services):

- for the PUC's administration of the Fund (\$277,113);
- to the Reading Services for the Blind Cash Fund, for use by the State Librarian in support of privately operated reading services for the blind (\$510,000);
- to the Colorado Commission for the Deaf and Hard of Hearing Cash Fund (\$1,992,589); and
- for support of the Colorado Talking Book Library (\$250,000).

The annual Long Bill appropriates cash funds for each of these purposes to the PUC, and corresponding appropriations appear in the other relevant state agencies' budgets. Money in the Fund not used for the above purposes is continuously appropriated to the PUC for the reimbursement of providers who render telecommunications services (estimated to be \$837,350 in the FY 2021-22 Long Bill).

*REQUEST:* The Department has requested \$346,146 total funds for a Talking Book Library line item, including \$90,660 General Fund and \$255,486 reappropriated funds from the Department of Regulatory Agencies, and 2.7 FTE. The request reflects the 2.7 FTE as a second year impact of S.B. 21-115. Related to this, the reappropriated funds amount for FY 2022-23 is above the \$250,000 appropriated in FY 2021-22 to reflect common policy personal services adjustments, including annualizing prior year salary survey and S.B. 18-200 impacts.

*RECOMMENDATION:*

- Staff recommends the request to reflect 2.7 FTE for informational purposes. The fiscal note indicated that the program had ongoing staffing at this level, even though this was not identified as an out-year impact of the bill. (Staff believes that in FY 2020-21 the program may have erroneously paid for these staff out of a Long Bill line item that was restricted to Talking Book Library Building Maintenance and Utility Expenses.)
- Staff also recommends that, going forward, the title and function of this line item be "Colorado Talking Book Library". The Long Bill line item was previously "Colorado Talking Book Library Building Maintenance, And Utility Expenses," which is too narrow for the current function of the line item.
- Based on the fiscal note for the bill, as well as the need to align amounts between the appropriation for the Talking Book Library between the Department of Regulatory Agencies and the Department of Education, staff recommends that for FY 2022-23, staff includes a continuation amount of \$250,000 reappropriated funds from the Department of Regulatory Agencies (DORA) for the Talking Book Library.
- Furthermore, in light of the recommendation for setting the reappropriated funds amount, staff also recommends funding the requested common policy personal services increases with General Fund instead of money from DORA. Staff will work with the Department of Education over the summer to establish the preferred mechanism for addressing personal services increases in future years. As described above, the Telephone Users with Disabilities Fund derives from fees on telephone users. If demands on the fund increase, this will drive fee increases. Because these fees count as TABOR revenue for the State, increases in fees when the State is at its TABOR cap will

drive refunds of general tax revenue. Given this, from a statewide perspective there is currently no benefit to using amounts from the Telephone Users with Disabilities Fund to provide common policy personal services increases for this program in lieu of General Fund.

## LINE ITEM DETAIL - LIBRARY PROGRAMS

### ADMINISTRATION

This line item provides state funding and staff for the general administration of library programs and the provision of library services.

*STATUTORY AUTHORITY:* Section 24-90-105, C.R.S.

*REQUEST:* The Department requests an appropriation of \$1,203,168 total funds (including \$935,755 General Fund and \$267,413 cash funds) and 13.3 FTE for FY 2022-23. The request includes the following changes from the FY 2021-22 appropriation:

- An increase of \$19,722 General Fund to annualize FY 2021-22 salary survey.
- An increase of \$2,696 General Fund to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends approving an appropriation of \$1,203,168 total funds (including \$935,755 General Fund and \$267,413 cash funds) and 13.3 FTE for FY 2022-23. This amount matches the request and is consistent with Committee common policy.

### FEDERAL LIBRARY FUNDING

This line item reflects federal funding that is anticipated to be available for library programs, and the Department staff who are supported by such funds. The federal funds supporting this line item are shown in the Long Bill for informational purposes only.

*STATUTORY AUTHORITY:* 22 U.S.C. 72

*REQUEST:* The Department requests an appropriation of \$3,293,558 federal funds and 23.8 FTE. The request includes an increase of \$49,485 to annualize FY 2021-22 salary survey and an increase of \$7,463 federal funds to reflect the FY 2022-23 impact of S.B. 18-200.

*RECOMMENDATION:* Staff recommends including an informational amount of \$3,293,558 federal funds and 23.8 FTE in this Long Bill line item for FY 2022-23. This matches the request and is consistent with common policy. The amount is also close to recent-year actual expenditures in this line item.



## COLORADO LIBRARY CONSORTIUM

The Colorado Library Consortium is a statewide library cooperative that was formed as a successor to the seven regional library systems that existed prior to significant state funding reductions in 2003.<sup>21</sup> The Consortium supports publicly-funded libraries statewide by:

- Expediting the discovery, selection, and delivery of information and materials to library patrons (including courier services).
- Administering a cooperative purchasing program (negotiating significant discounts on books and other library materials).
- Providing and supporting learning opportunities for ongoing professional development to improve library services.
- Identifying and supporting initiatives to strengthen the Colorado library community.

The Consortium's projected \$2.9 million budget in FY 2020-21 consisted of state funding provided through this line item (\$1.0 million General Fund annually since FY 2006-07), courier income (\$925,000), administrative fees (\$180,300), AspenCat integrated library system fees (\$147,000), continuing education fees (\$12,000), book recycling (\$8,000), and other miscellaneous sources such as grants, cooperative projects, and reserve carryover (\$639,800). The statewide courier system transports 3 million items annually. The AspenCat integrated union-catalog serves 125 primarily small, rural public and school libraries. On average, each AspenCat member library holds 15,000 items in its respective collection but its patrons have access to more than 1.4 million items in the shared collection. Consortium staff provide schools, public, and academic libraries statewide with consulting, training, and continuing education.

*STATUTORY AUTHORITY:* Section 24-90-105, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$1,000,000 General Fund, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends approving the request for \$1,000,000 General Fund. This appropriation ensures that the Consortium can offer public libraries a cooperative purchasing program and a statewide courier service at a reasonable cost, reducing public library expenses and facilitating resource sharing.

## COLORADO VIRTUAL LIBRARY

Pursuant to Section 24-90-302 et seq., C.R.S., the State Librarian is responsible for providing electronic resources through libraries to all Colorado residents and to students and staff at higher education institutions and public schools. The Colorado Virtual Library is thus a statewide, Internet-based library network that provides free access to:

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<sup>21</sup> The FY 2002-03 Long Bill included \$7.5 million General Fund support for library programs (other than state staff). The Governor vetoed appropriations totaling \$4.5 million, and these appropriations were further reduced in FY 2003-04 to \$359,796.

- On-line catalogs of the holdings of Colorado libraries.
- Locally produced databases.
- Digitized collections of Colorado resources.
- Indexes and full text database products.
- An interlibrary loan system facilitating resource sharing throughout Colorado.
- Other services associated with providing computer-based library resources.

The Colorado Virtual Library is managed cooperatively by the State's library community, including the Department of Education. This line item provides funding for ongoing operations, including contract technical staff for operations and programming, contract training and user support, annual hardware and software maintenance fees, leased space, database archiving services, backup tapes, and Internet connectivity.

*STATUTORY AUTHORITY:* Section 24-90-302, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$379,796 total funds (including \$359,796 General Fund) for FY 2022-23, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends approving the request for of \$379,796 total funds (including \$359,796 General Fund) for FY 2022-23, with no change from the FY 2021-22 appropriation.

#### COLORADO TALKING BOOK LIBRARY [PREVIOUSLY: COLORADO TALKING BOOK LIBRARY BUILDING MAINTENANCE, AND UTILITY EXPENSES]

The Colorado Talking Book Library is part of a national library program providing Braille, audio, and large-print books for individuals of all ages who are unable to read standard print material due to visual, physical, or learning disabilities. Colorado has, on average, 7,000 eligible patrons each year, representing every county in the State. The Colorado Talking Book Library is one of the original 19 libraries established pursuant to the federal Pratt Smoot Act in 1931. The library's recorded materials and playback machines are provided by the Library of Congress; this collection is enhanced by recordings of local materials narrated by volunteers and library staff. Since 1991, the library has been located at 180 Sheridan Boulevard in Denver. The building was purchased after the General Assembly appropriated \$750,000 from the Capital Construction Fund for FY 1989-90 (H.B. 90-1297). In FY 1997-98 the General Assembly appropriated \$238,607 from the Capital Construction Fund to replace the roof of the building.

House Bill 19-1332 (Telephone Users Disabilities Fund Talking Book Library, a Joint Budget Committee bill) authorized the use of the Colorado Telephone Users with Disabilities Fund (reflected as reappropriated funds from the Department of Regulatory Agencies) to support the Talking Book Library. For FY 2019-20, the bill included a one-time appropriation of \$250,000 from that fund source to support the library. For FY 2020-21, the Long Bill continued the appropriation from the Colorado Telephone Users with Disabilities Fund but reduced the amount to an appropriation of \$200,000. For FY 2021-22 this reappropriated funds spending authority was eliminated from the Long Bill. However, S.B. 21-115 (Annual Funding for Talking Book Library Services) made statutory changes to *require* the General Assembly to make annual appropriations from the Colorado Telephone Users With Disabilities Fund in the Department of Regulatory Agencies to support talking book library services.

The bill included a \$250,000 cash funds appropriation in the Department of Regulatory Agencies and a \$250,000 reappropriated funds appropriation to the Department of Education for FY 2021-22 from funds transferred from the Department of Regulatory Agencies.

State funds currently support a portion of the program. The balance is supported through federal funds, The Friends of the Colorado Talking Book Library, and volunteers. In addition, the National Library for the Blind and Physically Handicapped (NLS), within the Library of Congress, provides playback equipment and some supplies, Braille and recorded books and magazines which are circulated to visually and reading impaired clients of the Colorado Talking Book Library. The existing inventory of materials and equipment provided by NLS is valued at over \$5.5 million. The Library also houses a large print collection valued at more than \$1.2 million. Finally, the U.S. Postal Service has a line item in the federal budget for the mail service of materials sent to and returned from Library patrons.

Amounts appropriated in this line item were previously limited to the library's maintenance and utility expenses, and staff support was included only in the Administration line item. However, with the ongoing support from the Colorado Telephone Users With Disabilities Fund authorized under S.B. 21-115, this line item now also supports Talking Book Library staff and operating expenses.

*STATUTORY AUTHORITY:* Section 24-90-105 (1)(e), C.R.S.

*REQUEST:* The Department requests \$346,146 total funds, including \$90,660 General Fund, and \$255,486 reappropriated funds originating from the Colorado Telephone Users with Disabilities Fund) for FY 2022-23. The request includes addition of a 2.7 FTE informational notation (no attached dollars) to annualize the impact of S.B. 21-115, \$4,472 reappropriated funds to annualize prior year salary survey and \$1,014 to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* The staff recommendation is for \$345,146 total funds, including \$96,146 General Fund and \$250,000 reappropriated funds, and 2.5 FTE. As discussed previously in this document:

- Staff recommends changing the name of this line item from "Colorado Talking Book Library, Building Maintenance and Utilities" to "Colorado Talking Book Library."
- The fiscal note for S.B. 21-115 did not specifically identify an additional FTE notation figure for FY 2022-23. However, since FTE notations are shown for informational purposes and S.B. 21-115 should provide ongoing support for this program, staff believes it is reasonable to add the 2.7 FTE notation requested.
- Staff recommends the total funds adjustments to annualize prior year salary survey and to reflect the impact of S.B. 18-200. However, the staff recommendation includes different fund splits from the Department request because staff holds the reappropriated funds amount constant and funds personal services increases with General Fund.

## READING SERVICES FOR THE BLIND

This line item authorizes the Department of Education to spend money in the Reading Services for the Blind Cash Fund for the provision of reading services for the blind and also includes a General Fund appropriation. The Reading Services for the Blind Cash Fund is supported by money from the

Colorado Telephone Users with Disabilities Fund that is initially appropriated in the Department of Regulatory Agencies. The money originates from a surcharges on telephone access lines.

The Department annually uses the funds to support two different external programs:

- The Department spends a portion of the funds to contract with Audio Information Network of Colorado (AINC) to provide an on-the-air volunteer reading service for the blind, visually impaired, and print-handicapped citizens of Colorado. The services provided by AINC are also made available through the internet, telephone, and podcasts. The General Assembly has increased funding for the AINC program several times in recent years, from \$200,000 in FY 2011-12 to \$350,000 in FY 2015-16 (and continued in FY 2016-17). An FY 2017-18 supplemental adjustment provided an additional \$290,000 for the AINC (including \$200,000 in one-time funding and \$90,000 as an ongoing increase), for an ongoing amount of \$440,000 in FY 2018-19 and subsequent years.
- The Department uses the remaining funds to purchase services from the National Federation for the Blind (NFB) for its Newline service, which provides eligible Coloradans access to newspapers nationwide and a few magazines via touch tone telephone, internet, and by email. Newline services now include television listings (based on an individual's zip code); the NFB indicates that this additional service has increased use of their Newline service nationwide significantly. Anyone who is a patron of the Colorado Talking Book Library (CTBL) is eligible to access Newline services. The CTBL is able to sign patrons up for the Newline service through their existing database. The FY 2017-18 supplemental adjustment added \$60,000 in ongoing funding to the NFB programs (for a total appropriation of \$120,000 in FY 2017-18 and subsequent years).

*STATUTORY AUTHORITY:* Section 24-90-105.5, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$560,000 total funds (including \$50,000 General Fund and \$510,000 cash funds) for FY 2022-23, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends approving the request. The total recommendation includes \$440,000 for the AINC and \$120,000 for the NFB programs.

## STATE GRANTS TO PUBLICLY-SUPPORTED LIBRARIES PROGRAM

Senate Bill 00-085 created the State Grants to Publicly-Supported Libraries Program to provide funds to enable public libraries, school libraries, and academic libraries to purchase educational resources that they would otherwise be unable to afford. The bill created the State Grants to Publicly-Supported Libraries Fund, which consists of any moneys appropriated by the General Assembly and any other moneys collected by the State Librarian for such purpose. Statute (Section 24-90-407 (2), C.R.S.) allows the Department to spend up to 2.5 percent of the appropriation to administer the program. Because of the structure in statute, the appropriation historically consisted of two line items: one to appropriate General Fund into the cash fund and one providing spending authority from the cash fund. The enactment of S.B. 15-108 (Direct Appropriations for CDE Programs) eliminated the dual appropriation structure for this program, allowing for a direct appropriation from the General Fund to support the program.

The program first operated for FY 2000-01 and FY 2001-02. The Governor vetoed the appropriations to the program for FY 2002-03, and the program remained unfunded from FY 2002-03 through FY 2012-13. The General Assembly reinstated the program for FY 2013-14 with an appropriation of \$2.0 million General Fund to the State Grants to Publicly-Supported Libraries Fund line item and \$2.0 million reappropriated funds for the State Grants to Publicly-Supported Libraries Program line item. In FY 2015-16, the General Assembly appropriated an additional \$500,000 General Fund, for a total appropriation of \$2.5 million. For FY 2019-20, the General Assembly added \$500,000 General Fund for a total appropriation of \$3.0 million.

Facing the budget crisis associated with the COVID-19 pandemic in FY 2020-21, the General Assembly reduced the appropriation by \$500,000 General Fund as a budget balancing measure. This \$500,000 was restored in the FY 2021-22 Long Bill.

The program has awarded \$2,967,000 to 315 grantees statewide (representing 96.6 percent of 326 potential applicants) in FY 2021-22, with a base amount of \$4,500 per grantee. The Department has implemented a tiered structure, providing base amounts of \$4,500 for grantees serving populations of less than 1,000 individuals, \$5,000 for entities serving populations between 1,000 and 4,999, and \$5,500 for those serving 5,000 or more (with increases on a per capita basis for those serving populations of more than 10,000). The Department had used the \$500,000 increase provided in FY 2019-20 to increase the base amount by \$1,000 for all population tiers. It eliminated that adjustment for FY 2020-21 based on the reduction in funding but restored it in FY 2021-22. It eliminated that adjustment for FY 2020-21 based on the reduction in funding but restored it in FY 2021-22.

The Department reports that grantees are using the funds to: launch new e-book resources for parents and families, create new collections for toddler story time, buy online resources, and enhance collections related to early childhood development and other topics associated with early literacy and educational materials.

*STATUTORY AUTHORITY:* Sections 24-90-401 through 408, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$3,001,519 General Fund for FY 2022-23.

*RECOMMENDATION:* Staff recommends approving a continuation appropriation of \$3,001,519 General Fund for FY 2022-23.

## COLORADO IMAGINATION LIBRARY PROGRAM

Senate Bill 20-185 created the Colorado Imagination Library Program to provide books free of charge to children under the age of five years. The bill required the State Librarian to contract with a nonprofit organization to operate the program and would require the contractor to:

- Create and operate the program, including establishing county affiliate programs in all Colorado counties.
- Manage daily operations of the program.
- Develop, promote, and coordinate a public awareness campaign.

- Contract with a national nonprofit (such as the Dolly Parton Imagination Library) to provide high-quality, age-appropriate books to eligible children.

The bill made the requirements subject to available appropriations. However, it did not provide state funding for the program for FY 2020-21. Although the bill authorized the Department to accept gifts, grants, or donations for the program, it did not receive such external support in FY 2020-21 and therefore did not establish the program.

For FY 2021-22, S.B. 21-268 (Public School Finance) made statutory adjustments to the program. These included the following changes.

- The bill eliminated language that made contracting for the program "subject to available appropriation". Instead, the bill requires the General Assembly to annually appropriate General Fund for the state's share of the cost of providing books. It requires the General Assembly to appropriate \$907,140 General Fund for the program in FY 2022-23, and requires the General Assembly to increase the appropriation in subsequent years as necessary to meet the intention of providing full funding by 2026 for any child who wishes to participate.
- It requires that the State Librarian enter into a contract with a nonprofit organization to operate the program by December 31, 2021.
- It requires the contractor's public awareness campaign coordinate with the public awareness campaign for the READ Act.
- It requires the contractor provide for a high-quality independent evaluation of child and family outcomes from the program.
- It establishes a distressed affiliate fund using gifts, grants, and donations to assist programs that have difficulty meeting county-based funding requirements.
- It specifies that twenty percent of funds appropriated for FY 2021-22 and ten percent of money appropriated for FY 2022-23 and thereafter may be used for the contractor operating the program for specified administrative and other duties, including providing for the program evaluation.

Senate Bill 21-268 provided an appropriation of \$440,210 General Fund, and the fiscal note for the bill indicated that this amount would increase by \$496,919 General Fund to \$907,140 General Fund for FY 2022-23.

*STATUTORY AUTHORITY:* Sections 24-90-120, C.R.S.

*REQUEST:* The Department requests \$907,140 General Fund for FY 2022-23, including an increase of \$496,919 General Fund to annualize the increase in S.B. 21-268.

*RECOMMENDATION:* Staff recommends the request for an appropriation of \$907,140 General Fund for FY 2022-23. This aligns with amount required by statute for FY 2022-23 under the provisions of S.B. 21-268.

## INDIRECT COST ASSESSMENT

This line item reflects indirect cost assessments associated with Library Programs. The Department uses the funds collected to offset General Fund that would otherwise be required in the Management

and Administration division for General Department and Program Administration and a variety of centrally appropriated line items.

*STATUTORY AUTHORITY:* Section 24-31-101 and 102, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$55,327 federal funds, with no change from the FY 2022-23 appropriation.

*RECOMMENDATION:* Staff recommends approving the request for a continuation appropriation of \$55,327 federal funds.

## (4) SCHOOL FOR THE DEAF AND THE BLIND

The Colorado School for the Deaf and the Blind (CSDB) is a state-funded school that was established for the purpose of providing comprehensive educational services for children under the age of twenty-two who are blind and/or deaf. Originally named the "Colorado Institute for the Education of Mutes", the School opened in a rented house in April 1874 with an appropriation from the Territorial Legislature. The student population rapidly outgrew the space available and in 1876 the School moved to its current campus, made possible with a donation of ten acres by the founder of the city of Colorado Springs. The CSDB received its initial accreditation from the Department of Education in 1961, and in 1977, the CSDB was transferred from the Department of Institutions to the Department of Education. As a "Type 1" agency within the Department of Education, the CSDB is overseen by a seven-member board appointed by the Governor and confirmed by the Senate.

The CSDB currently occupies 18 buildings on 37 acres. Colorado students from the ages of birth through twenty-one are eligible to receive services either at or through the CSDB. Students enrolled at CSDB must have a documented hearing and/or vision loss and meet the enrollment criteria established by the Board of Trustees. Students may also be enrolled on a diagnostic basis in order to make an accurate determination of the student's eligibility status. A staffing team, including a CSDB staff member, the student's parents, and a local school district representative, determines if the CSDB is the appropriate learning environment based on the educational needs of the student. If a student's parents or legal guardians reside within Colorado and outside the El Paso County area, the student is eligible to participate in the residential living program during the week. There is no tuition for room and board. Out-of-state students are considered on a space available basis and are required to pay tuition.

In addition, pursuant to Section 22-80-102 (2), C.R.S., the CSDB is to "be a resource to school districts, state institutions, and other approved education programs." In this capacity, the CSDB is to provide the following services:

- Assessment and identification of educational needs;
- Special curricula;
- Equipment and materials;
- Supplemental related services;
- Special short-term programs;
- Program planning and staff development;

- Programs for parents, families, and the public; and
- Research and development to promote improved educational programs and services.

*Enrollment.* As summarized in the table below, the CSDB had an on-campus enrollment of 160 students (ages 3 to 21) in the 2020-21 school year, reflecting a significant decrease from the 200 student enrolled in FY 2019-20 due to the COVID-19 pandemic. The on-campus enrollment included 100 deaf/hard of hearing students and 60 blind/low vision students. Of the 160 total students, an average of 48 resided at CSDB (returning home on weekends) and the remaining 112 students only attended classes during the day.

COLORADO SCHOOL FOR THE DEAF AND THE BLIND: FY 2020-21 ENROLLMENT		
DESCRIPTION	ON-CAMPUS STUDENTS	
	NUMBER	ANNUAL % CHANGE
Deaf/ Hearing Impaired	100	(27%)
Blind/ Visually Impaired	60	(21.7%)
<b>Total Enrollment</b>	<b>160</b>	<b>(25%)</b>
Number of Residential Students	48	(23.8%)
Number of FTE for Whom Facility School Funding is Received	149	(12.8%)
<i>Percent of FTE for Whom Per Pupil Operating Revenues are Transferred from Districts</i>	<i>93.9</i>	

In addition to the on-campus enrollment, the school provided in-home services to 594 children from birth to age 3 (and their families) through the early intervention (CO-Hears) program and 166 children from birth to age 8 through the Early Literacy Development Initiative (ELDI). The school also provided “outreach” services to 132 school-age students being served in local districts, supported in part by fees paid by the local school districts.

In response to staff questions, CSDB reports that its enrollment has remained far below pre-pandemic levels. Current enrollment is at 162, with 46 of those in residential placement in FY 2021-22, though five new students are expected in February.

The following table summarizes the staff recommendation for the Colorado School for the Deaf and the Blind.

SCHOOL FOR THE DEAF AND THE BLIND					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
<b>FY 2021-22 Appropriation</b>					
FY 2021-22 Appropriation	\$17,277,848	\$12,657,907	\$1,070,000	\$3,549,941	177.2
<b>TOTAL</b>	<b>\$17,277,848</b>	<b>\$12,657,907</b>	<b>\$1,070,000</b>	<b>\$3,549,941</b>	<b>177.2</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>					
FY 2021-22 Appropriation	\$17,277,848	\$12,657,907	\$1,070,000	\$3,549,941	177.2
R8 CSDB teacher salary increase	251,435	251,435	0	0	0.0
R9 CCDB dishwashing machine	65,000	65,000	0	0	0.0
Nonprioritized requests	42,356	42,356	0	0	0.0



SCHOOL FOR THE DEAF AND THE BLIND					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
Centrally appropriated line items	44,506	44,506	0	0	0.0
SI CSDB RF spending authority increase	15,000	0	0	15,000	0.0
SI CSDB utilities	10,155	10,155	0	0	0.0
SI CSDB fund source adjustment	0	83,043	0	(83,043)	0.0
Annualize prior year legislation	49,460	41,934	0	7,526	0.0
Annualize prior year budget actions	340,765	307,567	0	33,198	0.0
<b>TOTAL</b>	<b>\$18,096,525</b>	<b>\$13,503,903</b>	<b>\$1,070,000</b>	<b>\$3,522,622</b>	<b>177.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$818,677</b>	<b>\$845,996</b>	<b>\$0</b>	<b>(\$27,319)</b>	<b>0.0</b>
Percentage Change	4.7%	6.7%	0.0%	(0.8%)	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$18,069,908</b>	<b>\$13,399,180</b>	<b>\$1,071,339</b>	<b>\$3,599,389</b>	<b>177.2</b>
Request Above/(Below) Recommendation	(\$26,617)	(\$104,723)	\$1,339	\$76,767	0.0

## DECISION ITEMS - SCHOOL FOR THE DEAF AND THE BLIND

### → SI CSDB TEMPORARY FUNDING ADJUSTMENT FOR ENROLLMENT - PENDING ITEM

*RECOMMENDATION:* On-campus enrollment at CSDB has been dramatically affected by the Coronavirus pandemic. For FY 2021-22 figure setting, staff assumed that enrollment would rebound. However, enrollment has remained at a level similar to FY 2020-21. In light of this, staff has requested that CSDB identify a temporary reduction for FY 2022-23 that assumes that enrollment partially rebounds, but not fully, until FY 2023-24. Staff anticipates that the net effect of this assumption will be to stage or delay the impact on the state budget of the R8 increase below. Staff assumes that any adjustment would be treated as one-time, and that the reduction would then annualize (be restored) in FY 2023-24.

Because staff did not fully appreciate the scale of CSDB's ongoing enrollment decline until too late in the figure setting process, staff has asked CSDB to do some internal analysis on this issue, and staff will return with a recommendation on this adjustment through the comeback process.

### → R8 CSDB TEACHER SALARY INCREASE

*REQUEST:* The Colorado School for the Deaf and Blind (CSDB) requests an increase of \$288,614 General Fund to provide staff step increases consistent with the Colorado Springs District 11 pay scale and provide incentives for hard-to-fill positions. The District 11 Board of Education and the Colorado Springs Education Association agreed to the following: a 1.5 percent increase to the salary schedule, with a B.A. teacher Step 1 salary starting at \$40,200; teachers will receive one step movement on the step system, equating to approximately a 2.0 percent increase; and teachers will receive a 3.0 percent one-time non-recurring compensation payment. The CSDB requests funding to match these adjustments. In addition, the CSDB request incorporates a proposal to add \$1,377 for all teachers, which would represent a "hard to fill position" incentive payment.

COMPONENTS OF CSDB SALARY REQUEST (57.0 FTE)		
ITEM	AMOUNT	AVG/FTE
Funding for 1.5 percent base-building increase to salary schedule	\$50,164	\$880
One step movement on step system (approximately 2.0 percent)	54,151	950
3.0 percent non-recurring bonus	105,810	1,856
\$1,377 "hard to fill" incentive for all teachers	78,489	1,377
<b>Total FY 2022-23</b>	<b>\$288,614</b>	
FY 2023-24 (Annualized to remove 1x amount)	182,804	

*RECOMMENDATION:* Staff recommends:

- \$251,435 General Fund for FY 2022-23
- Annualizing (reducing) this figure to \$145,625 in FY 2023-24.

As discussed below, staff believes the justification provided around additional funding for hard-to-fill positions is reasonable, but incremental funding is only recommended for those teachers who are not already receiving the \$1,377. In addition, as discussed above, staff expects to recommend a one-time funding reduction for CSDB in FY 2022-23 in the expectation that CSDB's enrollment will remain suppressed in FY 2022-23. Finally, the staff recommendation includes annualizing (eliminating) the one-time 3.0 percent non-recurring bonus amount in FY 2023-24.

*ANALYSIS:*

*Background:* Section 22-80-106.5, C.R.S. (as amended by S.B. 14-168), requires the CSDB to compensate teachers “in accordance with the salary schedule adopted pursuant to section 22-63-401, as of January 1 of the preceding fiscal year by resolution of the board of education of the school district within the boundaries of which the main campus of the school is located and with the salary policies that the board of trustees adopts to implement the salary schedule.” Thus the CSDB salary schedule must align with the District 11 salary schedule in place in the prior fiscal year, but, as this provision was amended by S.B. 14-168 (Teacher Salaries at CO School for the Deaf and Blind), the compensation is also "subject to salary policies that the board of trustees adopts," which allows for some leeway in the compensation. The fiscal note for S.B. 14-168 acknowledged this by indicating that the bill would drive a potential increase in state expenditures.

The current requests reflects that leeway, should the General Assembly agree to the funding request.

- These changes are calculated based on salaries for 56 teachers and one school psychologist, based on data provided by CSDB. The salaries for these teachers average \$58,671 and range from \$41,676 for a Teacher I at a lower step level to \$82,728 for a Teacher IX at a high step level.
- Most of the request is consistent with the District 11 salary schedule and therefore appears to staff to represent a common policy-type adjustment.
- The request includes a 3.0 percent increase as a non-recurring bonus payment, but the formal salary schedules do not appear to reflect that amount as a one-time funding component. The staff recommendation includes annualizing (removing) the one-time \$105,810 amount in FY 2023-24.
- The one item staff believes extends beyond a typical adjustment for CSDB is a proposal for a \$1,377 addition to all teacher salaries on the grounds that these represent "hard to fill" positions.
  - The budget request notes that CSDB at-will staff, representing teachers and specialists who follow the D11 salary schedule, are hard-to-fill positions. CSDB is therefore

requesting an experience increment be added for these positions as a retention incentive. The request notes that teachers at CSDB must have a unique skill set in addition to being a certified teacher. There is a national shortage of teachers of the deaf and teachers of the visually impaired, and these positions are extremely difficult to fill.

- In response to staff questions, CSDB explained that the CSDB has been offering this additional amount to all new teacher hires for several years, as it considers all teaching positions at the school "hard to fill" given the specialized skills required. To retain existing staff, it would like to add the same level increase to all teachers in the school, so that teachers added after this policy was adopted and who have greater seniority are treated equitably compared to more recently hired staff. **Based on updated information from CSDB, there are already 27 teachers receiving the increment. In light of this, the staff recommendation includes only the funding required for the additional 30 teachers who are not receiving the increment. The table below shows the recommendation with this adjustment.**

COMPONENTS OF CSDB SALARY RECOMMENDATION		
ITEM	AMOUNT	AVG/FTE
Funding for 1.5 percent base-building increase to salary schedule	\$50,164	880
One step movement on step system (approximately 2.0 percent)	54,151	950
3.0 percent non-recurring bonus	105,810	1,856
\$1,377 "hard to fill" incentive for 30 teachers	41,310	
<b>Total FY 2022-23</b>	<b>\$251,435</b>	
FY 2023-24 (Annualized to remove 1x amt)	145,625	

- Staff notes that the leeway provided by allowing the Board of Trustees to make compensation decisions has been used both to increase and constrain teacher salaries in the past. CSDB was scheduled to receive an increase of \$79,329 in FY 2020-21 to align with District 11 salary increases of approximately 2.3 percent. This was removed by the General Assembly due to FY 2020-21 budget balancing and then restored in FY 2021-22. CSDB was able to provide the previously-planned teacher salary increase in FY 2020-21, despite the legislative reduction, because of significant FY 2020-21 vacancy savings. However, it then did not provide an increase for its teachers in FY 2021-22, although District 11 provided a FY 2020-21 increase of approximately 1.5 percent which would have dictated an increase at CSDB of \$47,006 in FY 2021-22 if the Board of Trustees had not exercised its flexibility.

➔ R9 CSDB DISHWASHING MACHINE

*REQUEST:* The CSDB requests a one time appropriation of \$65,000 General Fund to replace its industrial dish washing machine. The school's current dishwashing machine is over 18 years old, and the CSDB has difficulty finding parts when the machine breaks down. For student safety, the school needs an industrial machine that sterilizes a large volume of dishes, and it does not have sufficient funds to purchase a new machine within its current budget.

*RECOMMENDATION:* Staff recommends the request for \$65,000 in one-time funding for a dishwashing machine. However, staff notes that some of the overall increase for CSDB may be offset by a one-time reduction to address ongoing low enrollment at the school.

*ANALYSIS:* As described in the request, the CSDB provides over 42,000 meals per year for students in a residential facility. To provide safe food, meals must be served on dishes that have been sanitized. CSDB's current machine is over 18 years old and not reliable. A new machine is expected to last 20 years. CSDB indicates that it does not have sufficient funds in its base budget to cover the costs.

**→ SI UTILITIES ADJUSTMENT**

*REQUEST:* The Department's formal request reflects a continuation appropriation of \$687,122 General Fund for FY 2022-23, with no change from the FY 2021-22 appropriation. However, the Department requested a supplemental adjustment to this line item for FY 2021-22, due to rising utilities costs. There was no associated request for FY 2022-23 due to a technical error.

*RECOMMENDATION:* Based on the data provided by CSDB for the supplemental request and recent estimates for FY 2022-23, staff recommends: (1) continuing the supplemental increase of \$48,704 provided for FY 2021-22 into FY 2022-23; and (2) providing a further increase of \$10,155 for FY 2022-23. As described in the request for a supplemental adjustment, the CSDB has faced sharp cost increases in FY 2022-23 based on rate increases for electricity and natural gas from Colorado Springs Utilities due to the increase in natural gas prices nationally. The utility supplies the electric, natural gas, and water for the campus.

CSDB UTILITIES COSTS FY 2017-18 THROUGH FY 2022-23						
UTILITY TYPE	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21 Est.	FY 2021-22 Est.	FY 2022-23 Est.
Natural Gas	\$103,962	\$123,005	\$85,856	\$120,377	\$210,263	\$227,502
Electric	210,951	203,268	186,232	184,524	225,237	193,377
Water	100,825	114,093	81,230	58,355	73,170	70,562
Energy Performance Contract	179,178	203,775	209,302	225,720	227,156	254,540
Special Project	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$594,916</b>	<b>\$644,141</b>	<b>\$562,620</b>	<b>\$588,377</b>	<b>\$735,826</b>	<b>\$745,981</b>
Annual Utilities Appropriation/Recommendation	\$602,580	\$602,580	\$627,580	\$687,122	*	*
Expenditures Above/(Below) Appropriation	(\$7,664)	\$41,561	(\$64,960)	(\$98,745)		

**→ SI INCREASE FOR ALLOCATION OF STATE AND FEDERAL CATEGORICAL FUNDING**

*REQUEST:* The Department did not submit a formal request for an adjustment to the State and Federal Categorical Funding line item.

*RECOMMENDATION:* Staff recommends increasing this line item by \$15,000 reappropriated funds, from \$170,000 reappropriated funds to \$185,000 reappropriated funds.

*ANALYSIS:* The CSDB receives an allocation of state and federal moneys available for special education services for children with disabilities based on its December pupil count. In addition, the

CSDB may receive allocations from other categorical programs (e.g., in recent years the CSDB has received allocations related to the English language proficiency program, special education for gifted and talented children, and the Expelled and At-risk Student Services Grant Program). The CSDB receives transfers under this line item from the various line items in the Assistance to Public Schools, Categorical Programs section of the Long Bill.

Staff has always sought to set this line item so that the CSDB has sufficient spending authority to receive any funds for which its student population qualifies. In FY 2020-21 its receipts were \$246,088, which was well above the \$170,000 included in the Long Bill due to a carryover of federal Individuals with Disabilities Act funds. Because all of the additional funds were federal, the Controller was able to provide the necessary additional spending authority. Although CSDB does not expect expenditures will be as high this year, it has indicated that an additional \$15,000 reappropriated funds spending authority would be helpful to ensure spending authority is adequate in years of higher carryover.

**→ SI CSDB FUND SOURCE ADJUSTMENT - PRELIMINARY**

*RECOMMENDATION:* The CSDB personal services line item has, in the past, included fund source adjustments based on the following calculation that determines the share of costs anticipated to come from facility school funding and nutrition programs. Staff's preliminary recommendation includes:

- Assuming facility school funding for 160 days for FY 2022-23. CSDB reports that actual facility school funding in FY 2020-21 was for 149.7 billable days, and it appears FY 2021-22 facility school billable days will be similar. The line item was previously set on an assumption of 170 billable days, which CSDB did not achieve in FY 2020-21 and therefore reverted some of the funding. *As a placeholder, staff is recommending 160 billable days, but this figure may be adjusted based on CSDB's further analysis of its enrollment projections and funding needs for FY 2022-23 that is discussed above.*
- Assuming Federal Nutrition Support will be \$35,000, similar to the pre-pandemic figure. CSDB has received much greater support in FY 2021-22, as have other schools, but this reflects federal waivers which are currently not anticipated for FY 2022-23.

The impact of these changes would be to increase General Fund support required by \$83,043 and reduce reappropriated funds support by the same amount. **This figure is subject to further adjustment based on CSDB's enrollment estimates for FY 2022-23.** Staff notes that providing a greater reappropriated funds amount than is currently estimated may be one mechanism for providing an adjustment to the CSDB budget that responds to actual enrollment, since CSDB only receives the reappropriated funds support to the extent that this is earned.

PROJECTED FY 2022-23 FACILITY SCHOOLS FUNDING FOR CSDB	
Projected statewide base per pupil funding (based on current law)	\$7,478.16
Facility school funding for year-round educational programs (1.73 x base PPR)	\$12,937.22
Total days the increased rate applies	235
Daily rate (state average PPR increased by one-third/Total days)	\$55.05
Estimated student-days billed by CSDB (average daily attendance (160 projected) x 184 instructional days)	29,440

PROJECTED FY 2022-23 FACILITY SCHOOLS FUNDING FOR CSDB	
Projected Transfer to CSDB (Daily rate x Student-days)	<b>\$1,620,730</b>

CSDB PERSONAL SERVICES – FY 2022-23 PRELIMINARY FUNDING SPLITS	
Total Recommended Funding - pending anticipated one-time reduction	\$12,192,118
Less: Estimated Transfer from the Facility Schools Funding Line item	(1,620,730)
Less: Federal Nutritional Funds transferred from the Appropriated Sponsored Programs line item	(35,000)
General Fund portion of appropriation	\$10,536,388

## LINE ITEM DETAIL - SCHOOL FOR THE DEAF AND THE BLIND

### (A) SCHOOL OPERATIONS

#### PERSONAL SERVICES

This line item provides funding for most School employees and for certain professional and temporary services.

*STATUTORY AUTHORITY:* Section 22-80-101.5 et seq., C.R.S.

*REQUEST:* The Department requests an appropriation of \$12,229,297 total funds (including \$10,490,524 General Fund and \$1,738,773 reappropriated funds) and 153.1 FTE for FY 2022-23. The request includes the following changes from FY 2021-22.

- An increase of \$288,614 General Fund for R8 (CSDB Teacher Salary Increase).
- An increase of \$27,739 General Fund for a nonprioritized request associated with a request in the Department of Human Services for food service and housekeeping staff.
- An increase of \$5,046 for a non-prioritized statewide common policy budget amendment for the Colorado WINS Partnership Agreement.
- An increase of \$309,821 total funds, including \$281,719 General Fund, to annualize FY 2021-22 salary survey.
- An increase of \$44,781 total funds, including \$38,410 General Fund, for the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* The staff recommendation is summarized in the table below.

- The recommendation for R8 is discussed earlier in this document.
- The recommendation for the non-prioritized request for food service and housekeeping staff is **pending** figure setting in the Department of Human Services on February 23, 2022. Staff will include an amount in this line item consistent with the Committee's decision for that department.
- The recommendation for the non-prioritized statewide common policy budget amendment for the Colorado WINS Partnership Agreement is also **pending** a Committee common policy decision.

- The recommendation includes the requested increases to annualize FY 2021-22 salary survey and to make adjustments for the impact of S.B. 18-200, consistent with Committee common policy.
- As described earlier in this document, the recommendation includes a net-zero fund source adjustment to reflect an anticipated decrease of \$83,043 reappropriated funds originating from the Facility School Funding line item (below the amount assumed in the FY 2021-22 appropriation) that is offset by an increase of that amount of General Fund. This amount is preliminary and subject to change.
- As described above, staff anticipates a further adjustment to the total funding in this line item based on additional feedback from CSDB. This adjustment is also **pending**.

SCHOOL FOR THE DEAF AND THE BLIND, SCHOOL OPERATIONS, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$11,553,296	\$9,848,996	\$0	\$1,704,300	\$0	153.1
<b>TOTAL</b>	<b>\$11,553,296</b>	<b>\$9,848,996</b>	<b>\$0</b>	<b>\$1,704,300</b>	<b>\$0</b>	<b>153.1</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$11,553,296	\$9,848,996	\$0	\$1,704,300	\$0	153.1
Annualize prior year budget actions	309,821	281,719	0	28,102	0	0.0
R8 CSDB teacher salary increase	251,435	251,435	0	0	0	0.0
Annualize prior year legislation	44,781	38,410	0	6,371	0	0.0
Nonprioritized requests	32,785	32,785	0	0	0	0.0
SI CSDB fund source adjustment	0	83,043	0	(83,043)	0	0.0
<b>TOTAL</b>	<b>\$12,192,118</b>	<b>\$10,536,388</b>	<b>\$0</b>	<b>\$1,655,730</b>	<b>\$0</b>	<b>153.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$638,822</b>	<b>\$687,392</b>	<b>\$0</b>	<b>(\$48,570)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	5.5%	7.0%	0.0%	(2.8%)	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$37,179	(\$45,864)	\$0	\$83,043	\$0	0.0

## EARLY INTERVENTION SERVICES

Since April 2001, the "Colorado Home Intervention Program" (called "CHIP") has been operating within the CSDB. This program was first started with federal grants in 1969, and it operated within the Colorado Department of Public Health and Environment from 1975 through March 2001. This home-based, family-centered early intervention program serves hearing impaired children (ages zero to three), and their parents. The program involves collaboration between a Colorado Hearing Resource Coordinator (CO-HEAR) hired through CSDB and a parent facilitator who is hired by the local Community Centered Board (CCB) to work with the child to develop language skills; provide parents with information and counseling to identify strategies to use in communicating with their child; and assess the dynamics of the parent-child interaction and provide support to lessen the impact of the hearing loss.

The regional CO-HEARS, employed by CSDB, provide service coordination for families. The CO-HEARS collaborate, train, mentor, and support the local parent facilitators (employed by CCBs) in their respective regions. The CO-HEARS provide an initial contact with the family to describe the available early intervention services and support the parent facilitators through the early intervention

process. Other CO-HEARS duties include both seeking resources to provide financial support to families for equipment such as hearing aids and collaborating with the local CCB's team of interventionists to provide specialized training regarding the impact of the child's hearing loss.

A separate complementary program involves specially trained fluent sign language instructors (language and literacy instructors), most of whom are deaf or hard of hearing themselves, visiting families weekly to provide support and instruction in techniques to build the child's literacy skills and teach the parents reading strategies. The Colorado Shared Reading Program (CSRP) is designed for families who rely on American Sign Language; the second program (Integrated Reading Program) is designed for families who want to learn American Sign Language and literacy development strategies. In addition to CSRP, the program involves group and community-based literacy events for families who have children who are deaf or hard of hearing.

*STATUTORY AUTHORITY:* Section 22-80-102 et seq., C.R.S.

*REQUEST:* The Department requests \$1,310,72 General Fund and 10.0 FTE for FY 2022-23. The request includes an increase of \$25,848 General Fund to annualize FY 2021-22 salary and an increase of \$3,524 General Fund to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends approving an appropriation of \$1,310,72 General Fund and 10.0 FTE for FY 2022-23. The recommendation matches the request and is consistent with Committee common policy.

## SHIFT DIFFERENTIAL

This line item is used to pay for the adjustment to compensate employees for work performed outside a Monday through Friday, 8:00 a.m. to 5:00 p.m. work schedule. Currently, the State pays percentage increases for shift differential (7.5 percent for second or "swing" shift and 10.0 percent for third or "graveyard" shift). The school uses its shift differential to provide 24-hour staff coverage for residential students at the CSDB.

*STATUTORY AUTHORITY:* Section 24-50-104 (1) (a), C.R.S.

*REQUEST:* The Department requests an appropriation of \$141,569 General Fund for FY 2022-23, including an increase of \$45,244 General Fund above the FY 2021-22 appropriation based on OSPB's common policy request and an increase of \$9,571 General Fund for the budget amendment for the Colorado WINS partnership agreement.

*RECOMMENDATION:* Staff recommends approving the base funding and common policy portions of the request, consistent with JBC common policy. An adjustment for the Colorado WINS partnership agreement is pending a JBC common policy decision. Staff requests permission to include budget adjustments consistent with the Committee's final common policy decision on this item.



**OPERATING EXPENSES**

This line item provides funding for supplies and materials, as well as for certain services that are not covered by other line items such as capital outlay<sup>22</sup>, custodial services, equipment rental, storage, dues and subscriptions, and printing.

*STATUTORY AUTHORITY:* Section 22-80-101.5 et seq., C.R.S.

*REQUEST:* The Department requests an appropriation of \$773,291 General Fund for FY 2022-23, including a one-time request for \$65,000 for request R9 (CSDB Dishwashing Machine).

*RECOMMENDATION:* The staff recommendation is reflected in the table below and includes the staff recommendation for R9, discussed previously in this document.

SCHOOL FOR THE DEAF AND THE BLIND, SCHOOL OPERATIONS, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$668,291	\$668,291	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$668,291</b>	<b>\$668,291</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$668,291	\$668,291	\$0	\$0	\$0	0.0
R9 CCDB dishwashing machine	65,000	65,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$733,291</b>	<b>\$733,291</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$65,000</b>	<b>\$65,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	9.7%	9.7%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$733,291</b>	<b>\$733,291</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**VEHICLE LEASE PAYMENTS**

This line item provides funding for annual payments to the Department of Personnel and Administration for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles [see Section 24-30-1117, C.R.S.]. The current appropriation covers costs associated with a total of 14 vehicles<sup>23</sup> that are all utilized at the CSDB.

*STATUTORY AUTHORITY:* Section 24-30-1104 (2), C.R.S.

*REQUEST:* The Department requests an appropriation of \$36,302 General Fund pursuant to OSPB’s common policies.

<sup>22</sup> Capital outlay includes replacement of equipment, furniture, and other items that cost less than \$50,000, as well as building repair and remodeling costing less than \$15,000.

<sup>23</sup> Currently, these vehicles include: six vans, four sedans, two buses, and two trucks.

*RECOMMENDATION:* Staff recommends the request for \$36,302 General Fund, which matches the total approved by the Committee during common policy decisions. Although the common policy document presented by the common policy analyst reflected an adjustment from multiple sources, staff concurs with the Department that General Fund is the appropriate funding source for the Colorado School for the Deaf and the Blind.

UTILITIES

This line item provides funding for the CSDB's water and sewer, electricity, and natural gas expenses.

*STATUTORY AUTHORITY:* Section 22-80-101.5 et seq., C.R.S.

*REQUEST:* The Department's formal request reflects a continuation appropriation of \$687,122 General Fund for FY 2022-23, with no change from the FY 2021-22 Long Bill appropriation. However, the Department requested a supplemental adjustment to this line item for FY 2021-22, due to rising utilities costs. There was no associated request for FY 2022-23 due to a technical error.

*RECOMMENDATION:* Based on the data provided by CSDB for the supplemental request and recent estimates for FY 2022-23, staff recommends: (1) continuing the supplemental increase of \$48,704 General Fund provided for FY 2021-22 into FY 2022-23; and (2) providing a further increase of \$10,155 General Fund for FY 2022-23. As described in the request for a supplemental adjustment, the CSDB has faced sharp cost increases in FY 2022-23 based on rate increases for electricity and natural gas from Colorado Springs Utilities due to the increase in natural gas prices nationally. The utility supplies the electric, natural gas, and water for the campus.

CSDB UTILITIES COSTS FY 2017-18 THROUGH FY 2022-23						
UTILITY TYPE	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 Est.	FY 2022-23 Est.
Natural Gas	\$103,962	\$123,005	\$85,856	\$120,77	\$210,263	\$227,502
Electric	210,951	203,268	186,232	184,524	225,237	193,377
Water	100,825	114,093	81,230	58,355	73,170	70,562
Energy Performance Contract	179,178	203,775	209,302	225,720	227,156	254,540
Special Project	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$594,916</b>	<b>\$644,141</b>	<b>\$562,620</b>	<b>\$588,377</b>	<b>\$735,826</b>	<b>\$745,981</b>
Annual Utilities Appropriation/Recommendation	\$602,580	\$602,580	\$627,580	\$687,122	*	*
Expenditures Above/(Below) Appropriation	(\$7,664)	\$41,561	(\$64,960)	(\$98,745)		

ALLOCATION OF STATE AND FEDERAL CATEGORICAL PROGRAM FUNDING

The CSDB receives an allocation of state and federal moneys available for special education services for children with disabilities based on its December pupil count. In addition, the CSDB may receive allocations from other categorical programs (e.g., in recent years the CSDB has received allocations related to the English language proficiency program, special education for gifted and talented children, and the Expelled and At-risk Student Services Grant Program). The CSDB receives transfers under

this line item from the various line items in the Assistance to Public Schools, Categorical Programs section of the Long Bill.

*STATUTORY AUTHORITY:* Section 22-20-103 et seq., C.R.S. (Special Education for Children with Disabilities).

*REQUEST:* The Department requests a continuation appropriation of \$170,000 reappropriated funds spending authority and 0.4 FTE for FY 2022-23, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* As discussed earlier in this document, staff recommends \$185,000 reappropriated funds, including an increase of \$15,000 reappropriated funds. The disbursements of categorical funding are based on the CSDB's annual student count and, as a result, fluctuate from year to year. The recommendation is intended to allow the CSDB to receive and spend all categorical funding for which it is eligible.

### MEDICAID REIMBURSEMENTS FOR PUBLIC SCHOOL HEALTH SERVICES

Similar to school districts, the CSDB is authorized to enter into contracts and receive federal matching funds for moneys spent in providing student health services [i.e., preventive, diagnostic, therapeutic, rehabilitative, or palliative items or services that are furnished to students by a school district, a board of cooperative services, or a state educational institution pursuant to the S.B. 97-101 Public School Health Services program]. Section 25.5-5-318 (2) (b), C.R.S., states that "any moneys provided to a school district pursuant to a contract entered into under this section shall not supplant state or local moneys provided to school districts" for:

- (a) special education services for children with disabilities;
- (b) the Colorado preschool program; or
- (c) the School Finance Act.

Based on this provision, the CSDB has used the additional federal Medicaid moneys available to increase special education services to its students (e.g., providing an additional day of occupational or physical therapy, in accordance with a student's individual education program) and at times to purchase equipment approved through the Medicaid plan.

*STATUTORY AUTHORITY:* Section 22-80-102 (5), C.R.S.

*REQUEST:* The Department requests an appropriation of \$429,046 reappropriated funds spending authority and 1.5 FTE for FY 2022-23. The request includes an increase of \$2,776 reappropriated funds to annualize FY 2021-22 salary survey and an increase of \$629 to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability) pursuant to OSPB's common policies.

*RECOMMENDATION:* Staff recommends approving the request for \$429,046 reappropriated funds, which is consistent with the Committee's common policies. As in prior years, the recommendation intended to allow the CSDB to receive and spend all of the Medicaid funding for which it is eligible.

## (B) SPECIAL PURPOSE

### FEES AND CONFERENCES

This line item provides spending authority for the Department to spend fees charged and received for various conferences or meetings held at the CSDB. Pursuant to Section 22-80-102, C.R.S., the CSDB is charged with being "a resource to school districts, state institutions, and other approved education programs". Among other resource services, the CSDB is required to provide "programs for parents, families, and the public". This appropriation allows the CSDB to host conferences that benefit professionals working with students who are deaf/hard of hearing or blind/visually impaired, parents of those children, and the students themselves. These fees offset additional custodial, maintenance, and security costs incurred. The CSDB also collects other fees, including fees paid for counseling services provided to students who are deaf/hard of hearing or blind/visually impaired in schools throughout Colorado.

*STATUTORY AUTHORITY:* Section 22-80-102, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$120,000 cash funds for FY 2022-23, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends approving the request. Staff recommends maintaining the appropriation at its current level despite the low levels of expenditures in recent years, as the recommendation is intended to allow the Department to receive and spend any fees earned.

### OUTREACH SERVICES

The CSDB is statutorily charged with being a resource to school districts by providing several services, including: assessment and identification of students' educational needs; special curricula; equipment and materials; supplemental related services; special short-term programs; program planning and staff development; programs for parents, families and the public; and research and development to promote improved educational programs and services. The reappropriated funds portion of this appropriation represents federal funds transferred from school districts or the Department of Education for three purposes:

- The CSDB occasionally accepts students from Colorado school districts for extended diagnostic periods prior to the student meeting CSDB enrollment criteria. Typically, these students require a one-on-one aide who must be supplied by the home school district. Often, the districts themselves are unable to find qualified applicants willing to work for district-level salaries while living in the Colorado Springs area. To address this issue, this line item provides spending authority for the CSDB to hire these professionals using federal special education funds transferred from school districts.
- CSDB employees travel to districts to provide training for district staff and/or to provide direct support to students. Districts pay the CSDB for their staff time and travel expenses.
- The Department supplies funding (also originally from federal funding) to provide Braille and large print materials for blind/visually impaired students through the Colorado Instructional Materials Center.

In FY 2009-10, this line item was increased by \$755,836 cash funds and 2.6 FTE to provide outreach services to school districts and Boards of Cooperative Educational Services (BOCES). The outreach services include technology training, professional development training, clerical support to distribute materials, production and purchase of adaptive materials, and student support services such as communication assessments, counseling support, and short-term and summer enrichment courses. In FY 2015-16, the General Assembly added an additional 0.8 FTE associated with FY 2015-16 R5 (CSDB Strategic Plan Implementation). The source of the cash funds are from reimbursements that the CSDB collects from school districts and BOCES.

For FY 2020-21, the General Assembly reduced the appropriation to \$1,000,000 total funds (including \$750,000 cash funds and \$250,000 reappropriated funds) to better align appropriations with actual expenditures and reflect that the appropriation is an estimate of available revenues.

*STATUTORY AUTHORITY:* Section 22-80-102, C.R.S.

*REQUEST:* The Department requests an appropriation of \$1,005,509 total funds (including \$751,339 cash funds and \$254,170 reappropriated funds) and 6.2 FTE for FY 2022-23. The request includes an increase of \$4,599 total funds, including \$1,200 cash funds and \$3,999 reappropriated funds to annualize FY 2021-22 salary survey and an increase of \$910 total funds above the FY 2021-22 appropriation to reflect the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability) based on OSPB's common policies.

*RECOMMENDATION:* Staff recommends approving a continuation appropriation of \$1,000,000 total funds (including \$750,000 cash funds and \$250,000 reappropriated funds) and 6.2 FTE, with no change from the FY 2021-22 appropriation. Given that actual revenues and expenditures for the program continue to remain below the appropriation (including a total of \$464,949 in FY 2020-21), staff believes that maintaining a flat \$1.0 million appropriation is sufficient. Given the estimated nature of the appropriation, staff recommends maintaining the current appropriation until it is likely that available revenues would exceed the appropriation.

## TUITION FROM OUT-OF-STATE STUDENTS

The CSDB is statutorily authorized to admit students from other states "...upon payment to the superintendent of such a sum quarterly as the board of trustees determines, to be not less than the total cost per capita of the students for the year immediately preceding the year in which the application is made." [see Section 22-80-110, C.R.S.] The CSDB is not allowed to admit a student from another state, however, to the exclusion of any Colorado resident. Tuition payments are generally used for curriculum, technology, and dorm furniture.

Historically, the CSDB has admitted students from Wyoming who cannot be appropriately served in their home school district. Wyoming does not have a state school to serve children who are deaf and/or blind. Prior to FY 2007-08, the CSDB required Wyoming to pay their students' tuition using federal funds (available under the federal *Individuals with Disabilities Education Act*), which were treated as cash funds but are not subject to the limitation on state fiscal year spending imposed by Section 20 of Article X of the State Constitution ("TABOR"). Beginning in FY 2007-08, the CSDB has been authorized to accept tuition payments from other states for up to four students using state, rather than

federal funds. This authorization ensures that children from neighboring states can be served at the CSDB (given available space) if it is determined that it is the best setting for the child.

*STATUTORY AUTHORITY:* Section 22-80-110, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$200,000 cash funds spending authority for FY 2022-23, with no change from the FY 2021-22 appropriation.

*RECOMMENDATION:* Staff recommends approving the request. The Department used the appropriation in FY 2020-21, expending \$57,639 in related revenue. Staff recommends continuing the appropriation at its current level to allow the CSDB to serve any students deemed appropriate, which benefits both the student and the CSDB. The CSDB will only be able to spend funds actually received as tuition from out-of-state students.

## GRANTS

This line item provides spending authority for the CSDB to receive various grants transferred from other line items within the Department. This spending authority excludes amounts related to categorical programs and Medicaid reimbursements for public school health services, as these amounts are appropriated through separate line items. For FY 2020-21, the General Assembly reduced the appropriation to \$1,000,000 reappropriated funds and 6.0 FTE (a reduction of \$206,079 and 3.0 below the FY 2019-20 appropriation) to better align appropriations with available revenues and to reflect the estimated nature of the appropriation.

*STATUTORY AUTHORITY:* Section 22-80-102, C.R.S.

*REQUEST:* The Department requests a continuation appropriation of \$1,004,554 reappropriated funds and 6.0 FTE for FY 2022-23, including an increase of \$3,712 reappropriated funds to annualize prior year salary survey and \$842 for the FY 2022-23 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

*RECOMMENDATION:* Staff recommends a continuing appropriation of \$1,000,000 reappropriated funds and 6.0 FTE. Expenditures (\$532,204 in FY 2020-21) remain well below the appropriation level, so staff does not believe any increase is required. However, staff is not reducing the appropriation, as the recommendation is intended to allow the Department to receive and spend any revenues received under the line item.

## LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

### LONG BILL FOOTNOTES

Staff recommends **continuing the following footnotes or continuing as amended.**

- 8 Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Capital Construction, Public School Capital Construction Assistance Board - Cash Grants -- This appropriation remains available until the completion of the project or the close of the ~~2023-24~~ 2024-25 fiscal year, whichever comes first.

**COMMENT:** This footnote has been included in the Long Bill for more than five years. This footnote makes funding appropriated to the Building Excellent Schools Today (BEST) Program for cash grants available for up to three years to allow for the completion of projects requiring funding for more than a single fiscal year.

- 9 Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Other Assistance, Career Development Success Program -- It is the General Assembly's intent that \$200,000 of this appropriation be used for activities other than direct grants to school districts.

**COMMENT:** This footnote was first included in the FY 2019-20 Long Bill. The General Assembly added this footnote to authorize the Department to hold back \$200,000 from the appropriation for the Career Development Success Program. It is staff's understanding that the Department has used these funds to support the TEACH Colorado program, a joint teacher recruiting effort between the Department and number of other partners, including school districts and the Department of Higher Education.

In response to JBC staff questions, the Department confirmed that it is in compliance with this footnote and believes that the funding for TEACH represents a good use of funds. It provided data on TEACH website visitors and coaching calls and reported that over 250 new teacher applicants who had used the website and resources offered by TEACH applied to educator preparation programs over the last year.

- 10 Department of Education, Library Programs, Reading Services for the Blind -- This appropriation is for the support of privately operated reading services for the blind, as authorized by section 24-90-105.5, C.R.S. It is the General Assembly's intent that \$440,000 of this appropriation be used to provide access to radio and television broadcasts of locally published and produced materials and \$120,000 of this appropriation be used to provide telephone access to digital transmissions of nationally published and produced materials.

**COMMENT:** This footnote has been included in the Long Bill for at least five years to express the General Assembly's intent concerning this appropriation. The Department annually contracts with Audio Information Network of Colorado (AINC) to provide an on-the-air volunteer reading service for the blind, visually impaired, and print-handicapped citizens of

Colorado. Broadcasts are provided in Boulder, Louisville, and Lafayette and are available on local cable as a standard radio frequency at 98.9 KHzs. AINC is currently working through cable associations with the cities to expand local coverage. The services provided by AINC are also made available through the internet, telephone, and podcasts. In FY 2012-13, the General Assembly increased the allocation for the contract with AINC from \$200,000 per year to \$300,000. The General Assembly added \$10,000 for FY 2014-15 and an additional \$50,000 for FY 2015-16, for a total of \$360,000. The amount now stands at \$440,000.

The remaining funding (currently \$120,000) is used to purchase services from the National Federation for the Blind (NFB) for its Newline service, which provides eligible Coloradans access to newspapers nationwide and a few magazines via touch tone telephone, internet, and by email. Newline services now include television listings (based on an individual's zip code); the NFB indicates that this additional service has increased use of their Newline service nationwide significantly. Anyone who is a patron of the Colorado Talking Book Library (CTBL) is eligible to access Newline services. The CTBL is able to sign patrons up for the Newline service through their existing database.

In response to JBC staff questions, the Department confirmed that it is in compliance with this footnote and believes that these expenditures represent a good use of funds.

Staff recommends **continuing the following request for information, as amended.**

- 2 Department of Education; and Colorado School for the Deaf and the Blind – The Department of Education and the Colorado School for the Deaf and the Blind are requested to provide to the Joint Budget Committee, by September 1, ~~2021~~ 2022, detailed information concerning each entity's implementation of the recommendations of the independent review panel for the Colorado School for the Deaf and Blind. The requested information should include both detail on the progress made to date and each entity's plans going forward.

**COMMENT:** This RFI was added following a program review of the Colorado School for the Deaf and the Blind. The review itself was prompted by concerns brought to the JBC in 2017 that resulted in the JBC requesting an independent external financial and performance review of operations, performance, and academic expectations and outcomes at the School for the Deaf and the Blind. As reflected in the staff briefing document, the initial document submitted by the Colorado School for the Deaf and the Blind in September 2021 in response to the RFI raised questions about how much progress had been made. During its budget hearing, the School provided much more detailed and in depth information. Staff recommends retaining this RFI so that the JBC can continue to track progress. Staff is hopeful that the initial submission for 2022 will provide a better picture of progress than the 2021 version.



## INDIRECT COST ASSESSMENTS

### DESCRIPTION OF INDIRECT COST ASSESSMENT METHODOLOGY

The Department of Education annually calculates two separate indirect cost rates, one affecting federal funds and another for cash funds. The Department’s indirect cost methodology is based on three components: an “*Indirect Cost Pool*”, an “*Indirect Cost Base*”, and an “*Indirect Cost Rate*”. The following discussion reflects the calculations underlying the Department’s indirect cost process for FY 2022-23. The Department will be negotiating an indirect cost plan with the U.S. Department of Education late in the Spring of 2022 based on recently submitted data. As a result, the following information is the most current available that outlines the Department’s estimates of assessments in FY 2022-23.

The Department calculates and negotiates the federal indirect cost rate with the U.S. Department of Education (USDE). The Department had negotiated a three-year fixed federal indirect cost rate with USDE for FY 2015-16 through FY 2017-18. As a result of a change in the federal policy (and a reversion to previous practice), the Department is again negotiating an annual rate with the federal agency. The Department calculates the federal rate based on the most recent year of actual expenditures. For example, actual expenditures from FY 2020-21 are the basis of the FY 2022-23 requested federal indirect rate of 14.5 percent. The Department calculates the federal rate as the indirect cost pool divided by the indirect cost base (as illustrated in the tables below) but must negotiate the final rate with USDE.

The Department bases the cash fund indirect cost rate on the approved federal rate, with some modifications. For example, the USDE prohibits the inclusion of the Commissioner and her immediate staff in the indirect cost pool. For the cash fund rate, the Department adds the USDE exclusions back into the indirect cost pool to arrive at the cash fund indirect cost rate. The Department primarily applies the cash fund rate to the Educator Licensure Cash Fund but also applies the rate to private gifts, grants, and donations. Similar to the federal rate, the Department has set a fixed cash fund rate of 15 percent for cash fund indirect cost recoveries for FY 2021-22. The following data provided the basis for the calculations in the FY 2022-23 appropriation. As discussed above, the information for the FY 2022-23 calculations is based on a rate that is not yet approved, and thus the calculations are estimates.

### INDIRECT COST POOL

The *Indirect Cost Pool* is comprised of expenses in the Management and Administration Division, including expenses associated with the following line items: General Department and Program Administration, Information Technology Services, Health, Life, and Dental, Short-term Disability, S.B. 04-257 Amortization Equalization Disbursement, S.B. 06-235 Supplemental Amortization Equalization Disbursement, and Payment to Risk Management and Property Funds. The Department categorizes the indirect cost pool differently, however, based on the costs actually included in the pool for calculation purposes. **Table 1** (on the following page) outlines which *costs* are included in the department’s Indirect Cost Pool.

TABLE 1: DEPARTMENT OF EDUCATION INDIRECT COST POOL	
DIVISION/COST DESCRIPTION	FY 2020-21 ACTUAL
<b>Statewide Indirect Costs for FY 2020-21</b>	<b>\$582,658</b>
Management and Administration	
Human Resources	430,624
Accounting/Purchasing/Budget	1,440,215
Department Overhead	2,070,210
Sick and Annual Leave Payouts	615,286
Information Management	2,498,030
<b>Total Departmental Indirect Cost Pool</b>	<b>\$7,054,365</b>
<b>Other Costs</b>	
Depreciation	383,512
State Auditor	218,685
Adjustment	(217,090)
<b>Total Other Costs</b>	<b>385,108</b>
<b>Total Indirect Cost Pool</b>	<b>\$8,022,131</b>

## INDIRECT COST BASE

The *Indirect Cost Base* is the denominator in the calculation of the federal indirect cost rate. The indirect cost base consists of Departmental salaries, fringe benefits, and operating expenses. The federal calculation excludes the items for which the USDE prohibits indirect cost collections and excludes departmental indirect costs. *Table 2* summarizes the department's indirect cost base using the FY 2020-21 actuals that provided the base for the current federal rate.

TABLE 2: DEPARTMENT OF EDUCATION INDIRECT COST BASE	
	FY 2020-21 ACTUAL
CDE salaries, fringe benefits, operating expenses	\$95,124,494
Less: Expenditures Excluded by USDE	(\$32,853,250)
Less: Departmental Indirect Costs	(\$7,054,365)
<b>Total Indirect Cost Base</b>	<b>\$55,216,879</b>

## INDIRECT COST RATE

The federal *indirect cost rate* is calculated by dividing the indirect cost pool by the indirect cost base. *Table 3* illustrates how the Department calculates the federal indirect cost rate. The Department is still negotiating a rate for FY 2022-23, so that rate has yet to be determined. The following table shows the calculated rate for FY 2022-23 (14.5 percent using this methodology) and the actual negotiated rate for FY 2019-20 and FY 2020-21 (15.0 percent).

TABLE 3: DEPARTMENT OF EDUCATION INDIRECT COST RATE	
FEDERAL RATE = INDIRECT COST POOL / DIRECT COST BASE	
DIVISION	FY 2020-21 ACTUAL
Indirect Cost Pool	\$8,022,131
Indirect Cost Base	\$55,216,879
Calculated Indirect Cost Base (proposed for FY 2022-23)	14.5%
Negotiated Federal Rate (Actual Rate for FY 2021-22)	15.0%

The Department applies the federal indirect cost rate to all federally funded expenditures for salaries, fringe benefits, operating expenses, and travel costs. The USDE prohibits charging indirect costs to federal funds supporting contracts in excess of \$25,000, grant distributions to school districts and other recipients, and capital expenditures in excess of \$5,000. In addition, some federal programs impose limits on total administrative costs, which includes indirect costs. For example, the Library Service and Technology Act (LSTA) limits total administration to 4 percent of the award, regardless of the negotiated indirect cost rate for other federal funds (20 U.S.C. 9132(a))

The Department also does not charge indirect costs to General Fund expenditures, some cash funded expenditures (most importantly those supported by the State Education Fund), or reappropriated fund expenditures. Based on updated information provided by the Department, **Table 4** reflects the recommended indirect cost assessments for each of the Department’s divisions **for FY 2022-23**.

TABLE 4: DEPARTMENT INDIRECT COST ASSESSMENT RECOMMENDATION				
DIVISION	TOTAL	CF	RF	FF
Management and Administration	744,679	375,814	0	368,865
Assistance to Public Schools	3,837,060	25,000	55,571	3,756,489
Library Programs	55,327	0	0	55,327
<b>Total FY 2022-23 Recommendation</b>	<b>\$4,637,066</b>	<b>\$400,814</b>	<b>\$55,571</b>	<b>\$4,180,681</b>
Management and Administration	\$861,325	\$495,877	\$0	\$365,448
Assistance to Public Schools	3,595,113	25,000	55,571	3,514,542
Library Programs	55,327		0	55,327
<b>Total FY 2021-22 Appropriation</b>	<b>\$4,511,765</b>	<b>\$520,877</b>	<b>\$55,571</b>	<b>\$3,935,317</b>
<b>Increase (Decrease) FY2021-22 to FY2022-23</b>	<b>\$125,301</b>	<b>(\$120,063)</b>	<b>\$0</b>	<b>\$245,364</b>

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Numbers Pages**

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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**DEPARTMENT OF EDUCATION**  
**Dr. Katy Anthes, Commissioner**

**(1) MANAGEMENT AND ADMINISTRATION**

ator Licensure Cash Fund. The major sources of reappropriated funds are indirect cost recoveries and transfers of funds from various cash- and federally-funded line items. Federal funds are from a variety of sources.

**(A) Administration and Centrally-Appropriated Line Items**

State Board of Education	<u>294,522</u>	<u>351,007</u>	<u>318,751</u>	<u>432,265</u>	<u>407,393</u> *
FTE	2.0	2.0	2.0	2.5	2.5
General Fund	294,522	351,007	318,751	432,265	407,393
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 General Department and Program Administration	 <u>4,181,081</u>	 <u>4,119,659</u>	 <u>4,659,043</u>	 <u>5,188,254</u>	 <u>5,180,609</u> *
FTE	36.3	34.6	34.6	39.8	39.8
General Fund	1,820,748	1,546,458	1,543,831	2,008,044	1,833,630
Cash Funds	77,449	76,854	186,145	186,491	186,491
Reappropriated Funds	2,282,884	2,496,347	2,929,067	2,993,719	3,160,488
Federal Funds	0	0	0	0	0
 Office of Professional Services	 <u>2,443,199</u>	 <u>2,481,426</u>	 <u>5,460,750</u>	 <u>5,521,635</u>	 <u>2,598,659</u>
FTE	21.8	21.2	21.2	21.2	21.2
General Fund	0	0	2,922,976	2,922,976	0
Cash Funds	2,443,199	2,481,426	2,537,774	2,598,659	2,598,659
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
Division of On-line Learning	<u>283,811</u>	<u>273,483</u>	<u>379,369</u>	<u>388,608</u>	<u>388,608</u>
FTE	2.0	3.3	3.3	3.3	3.3
General Fund	0	0	0	0	0
Cash Funds	283,811	273,483	379,369	388,608	388,608
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Schools of Choice	<u>267,613</u>	<u>255,750</u>	<u>10,361,853</u>	<u>10,368,668</u>	<u>10,668,326</u>
FTE	2.4	6.8	6.8	6.8	6.8
General Fund	267,613	255,750	335,011	341,826	341,826
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	10,026,842	10,026,842	10,326,500
Health, Life, and Dental	<u>5,213,689</u>	<u>2,538,115</u>	<u>6,994,268</u>	<u>7,162,049</u>	<u>7,007,103</u> *
General Fund	1,984,124	1,631,741	2,941,459	2,768,333	2,627,473
Cash Funds	583,786	548,549	1,057,725	966,803	952,717
Reappropriated Funds	415,036	357,825	510,361	776,887	776,887
Federal Funds	2,230,743	0	2,484,723	2,650,026	2,650,026
Short-term Disability	<u>62,726</u>	<u>38,084</u>	<u>76,642</u>	<u>75,588</u>	<u>74,610</u> *
General Fund	22,885	25,248	28,602	26,985	26,110
Cash Funds	7,757	7,767	11,932	9,357	9,254
Reappropriated Funds	6,776	5,069	5,819	8,702	8,702
Federal Funds	25,308	0	30,289	30,544	30,544

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Paid Family Medical Leave Insurance	0	0	0	<u>106,042</u>	<u>106,042</u>
General Fund	0	0	0	37,264	37,264
Cash Funds	0	0	0	13,122	13,122
Reappropriated Funds	0	0	0	12,340	12,340
Federal Funds	0	0	0	43,316	43,316
 S.B. 04-257 Amortization Equalization Disbursement	 <u>1,969,087</u>	 <u>1,103,070</u>	 <u>2,404,134</u>	 <u>2,388,329</u>	 <u>2,357,723</u> *
General Fund	681,647	742,094	899,575	856,696	829,320
Cash Funds	229,150	211,406	373,720	294,839	291,609
Reappropriated Funds	200,200	149,570	182,249	274,225	274,225
Federal Funds	858,090	0	948,590	962,569	962,569
 S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>1,969,089</u>	<u>1,103,070</u>	<u>2,404,134</u>	<u>2,388,329</u>	<u>2,357,723</u> *
General Fund	681,647	742,094	899,575	856,696	829,320
Cash Funds	229,150	211,406	373,720	294,839	291,609
Reappropriated Funds	200,202	149,570	182,249	274,225	274,225
Federal Funds	858,090	0	948,590	962,569	962,569
 PERA Direct Distribution	 <u>1,288,681</u>	 0	 <u>1,258,290</u>	 <u>1,203,101</u>	 <u>1,203,101</u>
General Fund	935,444	0	693,304	668,497	668,497
Cash Funds	201,941	0	195,597	148,880	148,880
Reappropriated Funds	151,296	0	369,389	385,724	385,724
Federal Funds	0	0	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Salary Survey	<u>1,343,727</u>	<u>0</u>	<u>1,570,896</u>	<u>1,563,472</u>	<u>1,563,472</u>
General Fund	435,558	0	586,171	556,834	556,834
Cash Funds	156,428	0	244,564	191,645	215,041
Reappropriated Funds	130,463	0	119,293	180,315	156,919
Federal Funds	621,278	0	620,868	634,678	634,678
Paid Family Medical Leave Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,961</u>	<u>29,961</u> *
General Fund	0	0	0	29,961	29,961
Workers' Compensation	<u>305,684</u>	<u>208,993</u>	<u>258,089</u>	<u>168,965</u>	<u>235,883</u>
General Fund	133,826	146,154	124,002	81,182	113,333
Cash Funds	0	42,266	33,679	22,049	30,782
Reappropriated Funds	13,383	20,573	8,721	5,709	7,971
Federal Funds	158,475	0	91,687	60,025	83,797
Legal Services	<u>901,288</u>	<u>1,175,178</u>	<u>1,193,264</u>	<u>1,021,909</u>	<u>1,021,909</u>
General Fund	520,985	679,305	696,266	590,709	590,709
Cash Funds	357,178	465,720	466,777	404,980	404,980
Reappropriated Funds	23,125	30,153	30,221	26,220	26,220
Federal Funds	0	0	0	0	0
Administrative Law Judge Services	<u>233,596</u>	<u>141,413</u>	<u>146,388</u>	<u>136,050</u>	<u>140,578</u>
General Fund	0	0	0	0	0
Cash Funds	193,277	117,005	121,121	112,567	116,314
Reappropriated Funds	40,319	24,408	25,267	23,483	24,264
Federal Funds	0	0	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Payment to Risk Management and Property Funds	<u>448,387</u>	<u>416,600</u>	<u>730,631</u>	<u>1,003,769</u>	<u>1,172,909</u> *
General Fund	448,387	416,600	730,631	1,003,769	1,172,909
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Leased Space	<u>827,146</u>	<u>276,823</u>	<u>1,247,217</u>	<u>1,247,217</u>	<u>1,270,993</u>
General Fund	0	87,218	66,481	66,481	90,758
Cash Funds	65,082	188,478	297,365	297,365	297,775
Reappropriated Funds	0	1,127	37,533	37,533	23,406
Federal Funds	762,064	0	845,838	845,838	859,054
Capitol Complex Leased Space	<u>411,335</u>	<u>363,513</u>	<u>917,789</u>	<u>886,487</u>	<u>991,288</u>
General Fund	0	224,148	364,592	352,156	393,790
Cash Funds	45,632	66,703	109,950	106,201	118,755
Reappropriated Funds	98,263	72,662	89,255	86,211	96,403
Federal Funds	267,440	0	353,992	341,919	382,340
Reprinting and Distributing Laws Concerning Education	<u>31,759</u>	<u>25,000</u>	<u>35,480</u>	<u>35,480</u>	<u>35,480</u>
Cash Funds	31,759	25,000	35,480	35,480	35,480
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0



*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (A) Administration and Centrally-Appropriated Line Items</b>	22,476,420	14,871,184	40,416,988	41,316,178	38,812,370
<i>FTE</i>	<u>64.5</u>	<u>67.9</u>	<u>67.9</u>	<u>73.6</u>	<u>73.6</u>
General Fund	8,227,386	6,847,817	13,151,227	13,600,674	10,549,127
Cash Funds	4,905,599	4,716,063	6,424,918	6,071,885	6,100,076
Reappropriated Funds	3,561,947	3,307,304	4,489,424	5,085,293	5,227,774
Federal Funds	5,781,488	0	16,351,419	16,558,326	16,935,393

**(B) Information Technology**

Information Technology Services	<u>3,932,677</u>	<u>3,498,118</u>	<u>4,650,934</u>	<u>4,652,972</u>	<u>5,046,521</u>
<i>FTE</i>	27.4	30.9	30.9	30.9	35.4
General Fund	3,824,465	3,389,610	4,016,481	4,015,612	4,512,492
Reappropriated Funds	108,212	108,508	634,453	637,360	534,029
CORE Operations	<u>246,047</u>	<u>327,125</u>	<u>240,722</u>	<u>242,246</u>	<u>245,466</u>
General Fund	105,604	126,702	120,350	121,112	122,722
Cash Funds	36,636	126,731	93,258	93,848	95,096
Reappropriated Funds	103,807	73,692	27,114	27,286	27,648
Information Technology Asset Maintenance	<u>1,558,765</u>	<u>959,568</u>	<u>969,147</u>	<u>969,147</u>	<u>969,147</u>
General Fund	1,558,765	959,568	969,147	969,147	969,147
Disaster Recovery	<u>19,722</u>	<u>0</u>	<u>19,722</u>	<u>19,722</u>	<u>19,722</u>
General Fund	19,722	0	19,722	19,722	19,722

*JBC Staff Figure Setting - FY 2022-23*  
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	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
Payments to OIT	<u>973,481</u>	<u>1,228,473</u>	<u>1,012,307</u>	<u>721,495</u>	<u>721,495</u> *
General Fund	417,818	528,980	614,067	437,660	437,660
Cash Funds	144,951	182,920	150,733	107,431	107,431
Reappropriated Funds	410,712	516,573	247,507	176,404	176,404
Federal Funds	0	0	0	0	0
<b>SUBTOTAL - (B) Information Technology</b>	<b>6,730,692</b>	<b>6,013,284</b>	<b>6,892,832</b>	<b>6,605,582</b>	<b>7,002,351</b>
FTE	<u>27.4</u>	<u>30.9</u>	<u>30.9</u>	<u>30.9</u>	<u>35.4</u>
General Fund	5,926,374	5,004,860	5,739,767	5,563,253	6,061,743
Cash Funds	181,587	309,651	243,991	201,279	202,527
Reappropriated Funds	622,731	698,773	909,074	841,050	738,081
Federal Funds	0	0	0	0	0

**(C) Assessments and Data Analyses**

Statewide Assessment Program	<u>21,739,401</u>	<u>25,058,349</u>	<u>31,878,112</u>	<u>31,950,569</u>	<u>31,950,569</u>
FTE	18.9	16.5	16.5	16.5	16.5
Cash Funds	15,577,937	21,773,372	24,660,227	24,672,725	24,672,725
Federal Funds	6,161,464	3,284,977	7,217,885	7,277,844	7,277,844
Longitudinal Analyses of Student Assessment Results	<u>677,769</u>	<u>700,430</u>	<u>761,725</u>	<u>1,254,979</u>	<u>1,240,220</u> *
FTE	4.7	4.1	4.1	5.9	5.9
General Fund	491,213	461,857	463,725	956,979	942,220
Cash Funds	186,556	238,573	298,000	298,000	298,000
Basic Skills Placement or Assessment Tests	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Cash Funds	0	0	50,000	50,000	50,000

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
Preschool to Postsecondary Education Alignment	<u>604,633</u>	<u>650,174</u>	<u>662,762</u>	<u>678,764</u>	<u>678,764</u>
FTE	4.3	4.0	4.0	4.0	4.0
General Fund	27,738	15,708	37,309	37,309	37,309
Cash Funds	576,895	634,466	625,453	641,455	641,455
Educator Effectiveness Unit Administration	<u>1,896,118</u>	<u>1,731,690</u>	<u>3,106,194</u>	<u>3,242,831</u>	<u>3,272,089</u>
FTE	13.1	16.6	16.6	17.8	18.2
General Fund	1,764,174	1,623,380	2,981,955	3,113,434	3,142,692
Cash Funds	131,944	108,310	124,239	129,397	129,397
Accountability and Improvement Planning	<u>1,557,880</u>	<u>966,026</u>	<u>1,784,656</u>	<u>1,801,768</u>	<u>1,801,768</u>
FTE	11.7	12.4	11.4	11.4	11.4
General Fund	1,007,548	966,026	1,234,324	1,251,436	1,251,436
Federal Funds	550,332	0	550,332	550,332	550,332
<b>SUBTOTAL - (C) Assessments and Data</b>					
<b>Analyses</b>	26,475,801	29,106,669	38,243,449	38,978,911	38,993,410
FTE	<u>52.7</u>	<u>53.6</u>	<u>52.6</u>	<u>55.6</u>	<u>56.0</u>
General Fund	3,290,673	3,066,971	4,717,313	5,359,158	5,373,657
Cash Funds	16,473,332	22,754,721	25,757,919	25,791,577	25,791,577
Federal Funds	6,711,796	3,284,977	7,768,217	7,828,176	7,828,176

**(D) State Charter School Institute**

State Charter School Institute Administration,  
Oversight, and Management

	<u>5,149,968</u>	<u>4,894,121</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>5,000,000</u>
FTE	17.6	11.7	11.7	11.7	11.7
Cash Funds	1,649,968	1,394,121	0	0	0
Reappropriated Funds	3,500,000	3,500,000	3,500,000	3,500,000	5,000,000

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
Institute Charter School Assistance Fund	<u>1,689,636</u>	<u>1,822,873</u>	<u>460,000</u>	<u>460,000</u>	<u>1,800,000</u>
Cash Funds	1,689,636	1,822,873	460,000	460,000	1,800,000
Other Transfers to Institute Charter Schools	<u>23,760,432</u>	<u>19,212,835</u>	<u>9,000,000</u>	<u>9,000,000</u>	<u>21,500,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	14,760,432	10,212,835	0	0	0
Reappropriated Funds	9,000,000	9,000,000	9,000,000	9,000,000	21,500,000
Transfer of Federal Moneys to Institute Charter Schools	<u>17,078,899</u>	<u>17,606,831</u>	<u>7,600,000</u>	<u>7,600,000</u>	<u>17,400,000</u>
FTE	8.2	4.5	4.5	4.5	4.5
Reappropriated Funds	0	0	7,600,000	7,600,000	17,400,000
Federal Funds	17,078,899	17,606,831	0	0	0
Department Implementation of Section 22-30.5-501 et seq., C.R.S.	<u>197,041</u>	<u>185,587</u>	<u>239,994</u>	<u>242,508</u>	<u>242,508</u>
FTE	1.0	1.6	1.6	1.6	1.6
Reappropriated Funds	197,041	185,587	239,994	242,508	242,508
CSI Mill Levy Equalization	<u>14,000,000</u>	<u>11,200,000</u>	<u>18,000,000</u>	<u>38,000,000</u>	<u>18,209,923</u> *
General Fund	7,000,000	5,600,000	9,000,000	19,000,000	9,000,000
Cash Funds	0	0	0	0	209,923
Reappropriated Funds	7,000,000	5,600,000	9,000,000	19,000,000	9,000,000
<b>SUBTOTAL - (D) State Charter School Institute</b>	<b>61,875,976</b>	<b>54,922,247</b>	<b>38,799,994</b>	<b>58,802,508</b>	<b>64,152,431</b>
<b>FTE</b>	<b><u>26.8</u></b>	<b><u>17.8</u></b>	<b><u>17.8</u></b>	<b><u>17.8</u></b>	<b><u>17.8</u></b>
General Fund	7,000,000	5,600,000	9,000,000	19,000,000	9,000,000
Cash Funds	18,100,036	13,429,829	460,000	460,000	2,009,923
Reappropriated Funds	19,697,041	18,285,587	29,339,994	39,342,508	53,142,508
Federal Funds	17,078,899	17,606,831	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>(E) Indirect Cost Assessment</b>					
Indirect Cost Assessment	674,595	<u>0</u>	861,325	844,679	744,679
Cash Funds	388,374	0	495,877	475,814	375,814
Federal Funds	286,221	0	365,448	368,865	368,865
<b>SUBTOTAL - (E) Indirect Cost Assessment</b>	674,595	0	861,325	844,679	744,679
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	388,374	0	495,877	475,814	375,814
Federal Funds	286,221	0	365,448	368,865	368,865
<b>TOTAL - (1) Management and Administration</b>	118,233,484	104,913,384	125,214,588	146,547,858	149,705,241
<i>FTE</i>	<u>171.4</u>	<u>170.2</u>	<u>169.2</u>	<u>177.9</u>	<u>182.8</u>
General Fund	24,444,433	20,519,648	32,608,307	43,523,085	30,984,527
Cash Funds	40,048,928	41,210,264	33,382,705	33,000,555	34,479,917
Reappropriated Funds	23,881,719	22,291,664	34,738,492	45,268,851	59,108,363
Federal Funds	29,858,404	20,891,808	24,485,084	24,755,367	25,132,434

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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**(2) ASSISTANCE TO PUBLIC SCHOOLS**

This section provides funding that is distributed to public schools and school districts, as well as funding for Department staff who administer this funding or who provide direct support to schools and school districts.

**(A) Public School Finance**

Administration	<u>2,216,317</u>	<u>1,865,358</u>	<u>1,879,526</u>	<u>1,929,516</u>	<u>1,929,516</u>
FTE	17.3	0.0	17.4	17.4	17.4
General Fund	0	0	1,792,031	1,839,176	1,839,176
Cash Funds	492,981	79,384	87,495	90,340	90,340
Reappropriated Funds	1,723,336	1,785,974	0	0	0
Financial Transparency System Maintenance	<u>600,000</u>	<u>412,000 1.0</u>	<u>88,120 1.0</u>	<u>88,120 1.0</u>	<u>88,120 1.0</u>
Cash Funds	600,000	412,000	88,120	88,120	88,120
State Share of Districts' Total Program Funding	<u>4,628,802,222</u>	<u>4,224,698,017</u>	<u>4,708,971,499</u>	<u>5,015,398,295</u>	<u>4,878,360,462</u> *
General Fund	3,643,099,781	3,752,935,919	3,175,564,630	3,175,564,630	3,344,953,593
General Fund Exempt	523,323,333	0	865,284,199	865,284,199	865,284,199
Cash Funds	462,379,108	471,762,098	668,122,670	974,549,466	668,122,670
School Finance Audit Payments	<u>0</u>	<u>2,195,726</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Cash Funds	0	2,195,726	1,000,000	1,000,000	1,000,000
At-risk Per Pupil Additional Funding	<u>5,000,000</u>	<u>4,999,999</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Cash Funds	5,000,000	4,999,999	5,000,000	5,000,000	5,000,000
At-risk Supplemental Aid	<u>4,521,650</u>	<u>4,453,645</u>	<u>4,844,358</u>	<u>4,844,358</u>	<u>4,844,358</u>
Cash Funds	4,521,650	4,453,645	4,844,358	4,844,358	4,844,358

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
District Per Pupil Reimbursements for Juveniles Held in Jail	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Cash Funds	0	0	10,000	10,000	10,000
Additional Funding for Rural Districts and Institute Charter Schools	<u>19,999,939</u>	<u>24,979,636</u>	<u>30,000,000</u>	<u>35,000,000</u>	<u>35,000,000</u>
General Fund	19,999,939	0	0	0	0
Cash Funds	0	24,979,636	30,000,000	35,000,000	35,000,000
Additional At-risk Funding for FY 2021-22 (Sec. 22-54-144, C.R.S.)	<u>0</u>	<u>0</u>	<u>91,433,760</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	91,433,760	0	0
Additional Funding Pursuant to Sec. 22-54-143 (3)(a), C.R.S.	<u>0</u>	<u>14,710,777</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	14,710,777	0	0	0
Additional Funding Pursuant to Sec. 22-54-143 (3)(b), C.R.S.	<u>0</u>	<u>4,578,464</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	4,578,464	0	0	0
Additional Funding Pursuant to Section 22-54-143 (6), C.R.S.	<u>0</u>	<u>569,849</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	569,849	0	0	0
Federal CARES Act Funds	<u>510,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Federal Funds	510,000,000	0	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
<b>SUBTOTAL - (A) Public School Finance</b>	5,171,140,128	4,283,463,471	4,843,227,263	5,063,270,289	4,926,232,456
<i>FTE</i>	<u>17.3</u>	<u>1.0</u>	<u>18.4</u>	<u>18.4</u>	<u>18.4</u>
General Fund	3,663,099,720	3,772,795,009	3,177,356,661	3,177,403,806	3,346,792,769
General Fund Exempt	523,323,333	0	865,284,199	865,284,199	865,284,199
Cash Funds	472,993,739	508,882,488	800,586,403	1,020,582,284	714,155,488
Reappropriated Funds	1,723,336	1,785,974	0	0	0
Federal Funds	510,000,000	0	0	0	0

**(B) Categorical Programs**

**(I) District Programs Required by Statute**

Special Education - Children with Disabilities	<u>385,392,725</u>	<u>379,353,728</u>	<u>376,612,241</u>	<u>384,620,832</u>	<u>384,145,949</u> *
FTE	101.9	63.0	63.0	63.0	63.0
General Fund	93,572,347	93,572,347	93,572,347	93,572,347	93,572,347
Cash Funds	109,128,264	112,650,811	126,582,286	134,286,895	133,812,012
Reappropriated Funds	0	0	191,090	191,090	191,090
Federal Funds	182,692,114	173,130,570	156,266,518	156,570,500	156,570,500
English Language Proficiency Program	<u>32,524,069</u>	<u>33,922,573</u>	<u>36,522,049</u>	<u>38,822,768</u>	<u>38,798,011</u> *
FTE	3.9	4.6	4.6	4.6	4.6
General Fund	3,101,598	3,101,598	3,101,598	3,101,598	3,101,598
Cash Funds	19,892,838	21,003,951	22,156,144	24,446,763	24,422,006
Federal Funds	9,529,633	9,817,024	11,264,307	11,274,407	11,274,407



*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (I) District Programs Required by</b>					
<b>Statute</b>	417,916,794	413,276,301	413,134,290	423,443,600	422,943,960
<i>FTE</i>	<u>105.8</u>	<u>67.6</u>	<u>67.6</u>	<u>67.6</u>	<u>67.6</u>
General Fund	96,673,945	96,673,945	96,673,945	96,673,945	96,673,945
Cash Funds	129,021,102	133,654,762	148,738,430	158,733,658	158,234,018
Reappropriated Funds	0	0	191,090	191,090	191,090
Federal Funds	192,221,747	182,947,594	167,530,825	167,844,907	167,844,907
<b>(II) Other Categorical Programs</b>					
Public School Transportation	<u>62,394,372</u>	<u>64,437,123</u>	<u>63,221,962</u>	<u>65,324,487</u>	<u>65,290,516</u> *
<i>FTE</i>	2.0	2.0	2.0	2.0	2.0
General Fund	36,922,227	36,922,227	36,922,227	36,922,227	36,922,227
Cash Funds	25,472,145	27,514,896	26,299,735	28,402,260	28,368,289
Transfer to the Department of Higher Education for Distribution of State Assistance for Career and Technical Education					
	<u>27,238,323</u>	<u>27,778,242</u>	<u>28,244,361</u>	<u>29,258,044</u>	<u>29,244,943</u> *
General Fund	17,792,850	17,792,850	17,792,850	17,792,850	17,792,850
Cash Funds	9,445,473	9,985,392	10,451,511	11,465,194	11,452,093
Special Education Programs for Gifted and Talented Children					
	<u>12,306,962</u>	<u>12,579,102</u>	<u>12,994,942</u>	<u>13,266,121</u>	<u>13,252,582</u> *
<i>FTE</i>	1.9	2.0	1.5	1.5	1.5
General Fund	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Cash Funds	6,806,962	7,079,102	7,494,942	7,766,121	7,752,582

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
Expelled and At-risk Student Services Grant Program	<u>9,295,189</u>	<u>9,432,827</u>	<u>9,493,560</u>	<u>9,503,130</u>	<u>9,501,996</u> *
FTE	2.2	1.0	1.0	1.0	1.0
General Fund	5,721,884	5,774,762	5,788,807	5,788,807	5,788,807
Cash Funds	3,573,305	3,658,065	3,704,753	3,714,323	3,713,189
Small Attendance Center Aid	<u>1,314,250</u>	<u>1,314,250</u>	<u>1,314,250</u>	<u>1,315,779</u>	<u>1,131,150</u> *
General Fund	787,645	787,645	787,645	787,645	787,645
Cash Funds	526,605	526,605	526,605	528,134	343,505
Comprehensive Health Education	<u>1,103,367</u>	<u>1,110,209</u>	<u>1,131,396</u>	<u>1,137,074</u>	<u>1,131,396</u> *
FTE	1.6	1.0	1.0	1.0	1.0
General Fund	300,000	300,000	300,000	300,000	300,000
Cash Funds	803,367	810,209	831,396	837,074	831,396
<b>SUBTOTAL - (II) Other Categorical Programs</b>	<b>113,652,463</b>	<b>116,651,753</b>	<b>116,400,471</b>	<b>119,804,635</b>	<b>119,552,583</b>
FTE	<u>7.7</u>	<u>6.0</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>
General Fund	67,024,606	67,077,484	67,091,529	67,091,529	67,091,529
Cash Funds	46,627,857	49,574,269	49,308,942	52,713,106	52,461,054
<b>SUBTOTAL - (B) Categorical Programs</b>	<b>531,569,257</b>	<b>529,928,054</b>	<b>529,534,761</b>	<b>543,248,235</b>	<b>542,496,543</b>
FTE	<u>113.5</u>	<u>73.6</u>	<u>73.1</u>	<u>73.1</u>	<u>73.1</u>
General Fund	163,698,551	163,751,429	163,765,474	163,765,474	163,765,474
Cash Funds	175,648,959	183,229,031	198,047,372	211,446,764	210,695,072
Reappropriated Funds	0	0	191,090	191,090	191,090
Federal Funds	192,221,747	182,947,594	167,530,825	167,844,907	167,844,907

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>(C ) Grant Programs, Distributions, and Other Assistance</b>					
<b>(I) Health and Nutrition</b>					
Federal Nutrition Programs	<u>174,646,153</u>	<u>267,566,737</u>	<u>156,678,691</u>	<u>156,726,079</u>	<u>156,726,079</u>
FTE	17.0	9.0	9.0	9.0	9.0
General Fund	94,370	64,492	97,831	99,803	99,803
Federal Funds	174,551,783	267,502,245	156,580,860	156,626,276	156,626,276
State Match for School Lunch Program	<u>2,472,644 0.0</u>	<u>2,472,644 0.0</u>	<u>2,472,644 0.0</u>	<u>2,472,644 0.0</u>	<u>2,472,644 0.0</u>
Cash Funds	2,472,644	2,472,644	2,472,644	2,472,644	2,472,644
Child Nutrition School Lunch Protection Program	<u>1,992,819</u>	<u>22,527 0.0</u>	<u>2,328,105</u>	<u>2,328,105</u>	<u>2,578,105</u>
General Fund	1,936,254	8,575	1,477,374	1,477,374	1,727,374
Cash Funds	56,565	13,952	850,731	850,731	850,731
Start Smart Nutrition Program	<u>715,296</u>	<u>4,855</u>	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,150,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	1,150,000	1,150,000	1,150,000
Reappropriated Funds	715,296	4,855	0	0	0
Local School Food Purchasing Programs	<u>165,866</u>	<u>0</u>	<u>675,255</u>	<u>675,255</u>	<u>675,255</u>
FTE	0.2	0.0	0.4	0.4	0.4
General Fund	165,866	0	675,255	675,255	675,255
Menstrual Hygiene Product Accessibility Grant Program	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	100,000	100,000	100,000

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
S.B. 97-101 Public School Health Services	<u>140,162</u>	<u>120,651</u>	<u>180,709</u>	<u>182,686</u>	<u>182,686</u>
FTE	1.0	1.4	1.4	1.4	1.4
Reappropriated Funds	140,162	120,651	180,709	182,686	182,686
Behavioral Health Care Professional Matching Grant					
Program	<u>14,774,525</u>	<u>11,948,026</u>	<u>14,948,029</u>	<u>14,959,590</u>	<u>14,959,590</u>
FTE	3.5	5.0	5.0	5.0	5.0
Cash Funds	14,774,525	11,948,026	14,948,029	14,959,590	14,959,590
Mental Health Education Resource Bank and					
Technical Assistance	<u>80,128</u>	<u>46,291</u>	<u>46,709</u>	<u>46,709</u>	<u>46,709</u>
FTE	1.0	0.6	0.6	0.6	0.6
General Fund	80,128	46,291	46,709	46,709	46,709
K-5 Social and Emotional Health Pilot Program	<u>30,711</u>	<u>0</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
FTE	0.2	0.0	1.0	1.0	1.0
General Fund	0	0	0	0	0
Cash Funds	30,711	0	2,500,000	2,500,000	2,500,000
Start Smart Nutrition Program Fund	<u>900,000</u>	<u>900,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	900,000	900,000	0	0	0
Breakfast After the Bell	<u>19,585</u>	<u>7,007</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.1	0.0	0.0	0.0	0.0
General Fund	19,585	7,007	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (I) Health and Nutrition</b>	195,937,889	283,088,738	181,080,142	181,141,068	181,391,068
<i>FTE</i>	<u>23.0</u>	<u>16.0</u>	<u>17.4</u>	<u>17.4</u>	<u>17.4</u>
General Fund	3,196,203	1,026,365	2,397,169	2,399,141	2,649,141
Cash Funds	17,334,445	14,434,622	21,921,404	21,932,965	21,932,965
Reappropriated Funds	855,458	125,506	180,709	182,686	182,686
Federal Funds	174,551,783	267,502,245	156,580,860	156,626,276	156,626,276

**(II) Capital Construction**

Division of Public School Capital Construction

Assistance	<u>1,266,735</u>	<u>1,271,992</u>	<u>1,475,538</u>	<u>1,595,013</u>	<u>1,595,001</u> *
<i>FTE</i>	15.1	15.0	15.0	16.0	16.0
Cash Funds	1,266,735	1,271,992	1,475,538	1,595,013	1,595,001

Public School Capital Construction Assistance Board

- Lease Payments	<u>77,004,203</u>	<u>85,681,220</u>	<u>125,000,000</u>	<u>125,000,000</u>	<u>125,000,000</u>
Cash Funds	77,004,203	85,681,220	125,000,000	125,000,000	125,000,000

Public School Capital Construction Assistance Board

- Cash Grants	<u>96,407,010</u>	<u>95,725,932</u>	<u>160,000,000</u>	<u>100,000,000</u>	<u>160,000,000</u>
Cash Funds	96,407,010	95,725,932	160,000,000	100,000,000	160,000,000

Financial Assistance Priority Assessment

Cash Funds	<u>125,400</u>	<u>130,800</u>	<u>135,000</u>	<u>135,000</u>	<u>150,000</u>
	125,400	130,800	135,000	135,000	150,000

State Aid for Charter School Facilities

Cash Funds	<u>28,607,290</u>	<u>31,820,759</u>	<u>31,526,047</u>	<u>31,526,047</u>	<u>41,918,403</u>
	28,607,290	31,820,759	31,526,047	31,526,047	41,918,403

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
Full-day Kindergarten Implementation Grants	<u>24,801,942</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	24,801,942	0	0	0	0
<b>SUBTOTAL - (II) Capital Construction</b>	228,212,580	214,630,703	318,136,585	258,256,060	328,663,404
<i>FTE</i>	<u>15.1</u>	<u>15.0</u>	<u>15.0</u>	<u>16.0</u>	<u>16.0</u>
General Fund	0	0	0	0	0
Cash Funds	228,212,580	214,630,703	318,136,585	258,256,060	328,663,404

**(III) Reading and Literacy**

Early Literacy Program Administration and Technical

Support	<u>1,284,609</u>	<u>1,303,390</u>	<u>1,801,522</u>	<u>1,764,695</u>	<u>1,764,695</u>
FTE	10.6	8.8	8.8	8.8	8.8
Cash Funds	1,284,609	1,303,390	1,801,522	1,764,695	1,764,695

Early Literacy Competitive Grant Program

FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	7,460,927	6,351,797	7,500,000	7,500,000	8,500,000

Early Literacy Program Evidence Based Training

Provided to Teachers	<u>18,965</u>	<u>611,091</u>	<u>2,702,557</u>	<u>2,702,557</u>	<u>1,702,557</u>
FTE	0.0	0.0	3.5	3.5	3.5
Cash Funds	18,965	611,091	2,702,557	2,702,557	1,702,557

Early Literacy Program External Evaluation

Cash Funds	<u>741,404</u>	<u>749,916</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
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*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Early Literacy Program Public Information					
Campaign	<u>192,617</u>	<u>472,490</u>	<u>500,001</u>	<u>501,607</u>	<u>501,607</u>
FTE	0.4	0.5	0.5	0.5	0.5
Cash Funds	192,617	472,490	500,001	501,607	501,607
Early Literacy Program Per Pupil Intervention					
Funding	<u>26,209,350</u>	<u>26,236,554</u>	<u>26,261,551</u>	<u>26,261,551</u>	<u>26,261,551</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	26,209,350	26,236,554	26,261,551	26,261,551	26,261,551
Early Literacy Assessment Tool Program	<u>2,403,625</u>	<u>2,216,170</u>	<u>2,997,072</u>	<u>2,997,072</u>	<u>2,997,072</u>
Cash Funds	2,403,625	2,216,170	2,997,072	2,997,072	2,997,072
Adult Education and Literacy Grant Program	<u>859,141</u>	<u>889,892</u>	<u>5,970,740</u>	<u>973,273</u>	<u>973,273</u>
FTE	0.8	1.0	1.0	1.0	1.0
General Fund	859,141	889,892	970,740	973,273	973,273
Cash Funds	0	0	5,000,000	0	0
<b>SUBTOTAL - (III) Reading and Literacy</b>	39,170,638	38,831,300	48,483,443	43,450,755	43,450,755
FTE	<u>11.8</u>	<u>10.3</u>	<u>13.8</u>	<u>13.8</u>	<u>13.8</u>
General Fund	859,141	889,892	970,740	973,273	973,273
Cash Funds	38,311,497	37,941,408	47,512,703	42,477,482	42,477,482
<b>(IV) Professional Development and Instructional Support</b>					
Content Specialists	<u>508,293</u>	<u>503,225</u>	<u>667,267</u>	<u>546,536</u>	<u>546,536</u>
FTE	3.5	5.1	5.1	5.0	5.0
General Fund	19,534	0	136,403	0	0
Cash Funds	488,759	503,225	530,864	546,536	546,536

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	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
School Bullying Prevention and Education Cash Fund	<u>2,000,000</u>	<u>1,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
General Fund	0	0	1,000,000	1,000,000	1,000,000
Cash Funds	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Office of Dropout Prevention and Student Reengagement	<u>2,938,024</u>	<u>2,988,928</u>	<u>3,048,556</u>	<u>3,054,709</u>	<u>3,054,709</u>
FTE	2.3	2.8	2.2	2.2	2.2
General Fund	966,083	985,862	1,042,468	1,044,938	1,044,938
Cash Funds	1,971,941	2,003,066	2,006,088	2,009,771	2,009,771
Federal Funds	0	0	0	0	0
Ninth Grade Success Grant Program	<u>789,320</u>	<u>0</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
FTE	0.3	0.0	0.6	0.6	0.6
General Fund	789,320	0	800,000	800,000	800,000
Quality Teacher Recruitment Program	<u>40,000</u>	<u>0</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
General Fund	0	0	3,000,000	3,000,000	3,000,000
Cash Funds	40,000	0	0	0	0
English Language Learners Technical Assistance	<u>378,500</u>	<u>401,932</u>	<u>388,934</u>	<u>400,617</u>	<u>400,617</u>
FTE	3.4	5.0	5.0	5.0	5.0
General Fund	323,626	346,248	333,250	342,017	342,017
Cash Funds	54,874	55,684	55,684	58,600	58,600
Working Group for Identification of and Educational Support for Students with Dyslexia	<u>67,246</u>	<u>26,700</u>	<u>40,616</u>	<u>40,616</u>	<u>40,616</u>
General Fund	67,246	26,700	40,616	40,616	40,616



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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Dyslexia Markers Pilot Program	<u>11,520</u>	<u>97,438</u>	<u>127,973</u>	<u>127,973</u>	<u>0</u>
General Fund	11,520	97,438	127,973	127,973	0
School Leadership Pilot Program	<u>64,560</u>	<u>179,446</u>	<u>751,616</u>	<u>0</u>	<u>0</u>
FTE	0.8	1.0	1.0	0.0	0.0
General Fund	64,560	179,446	751,616	0	0
Local Accountability System Grant Program	<u>0</u>	<u>0</u>	<u>493,907</u>	<u>493,907</u>	<u>493,907</u>
FTE	0.0	0.0	0.4	0.4	0.4
General Fund	0	0	493,907	493,907	493,907
School Transformation Grant Program	<u>4,308,481</u>	<u>4,229,392</u>	<u>4,435,997</u>	<u>6,450,371</u>	<u>5,450,371</u> *
FTE	2.5	3.0	3.0	3.0	3.0
General Fund	2,314,027	2,225,091	2,431,222	4,442,123	3,442,123
Cash Funds	1,994,454	2,004,301	2,004,775	2,008,248	2,008,248
Computer Science Education Grants	<u>924,400</u>	<u>449,376</u>	<u>801,658</u>	<u>805,681</u>	<u>805,681</u>
FTE	1.0	0.4	0.4	0.4	0.4
General Fund	0	0	250,000	250,000	250,000
Cash Funds	924,400	449,376	551,658	555,681	555,681
Accelerated College Opportunity Exam Fee Grant Program	<u>511,179</u>	<u>280,341</u>	<u>561,461</u>	<u>562,238</u>	<u>562,238</u>
FTE	0.4	0.4	0.4	0.4	0.4
General Fund	511,179	280,341	561,461	562,238	562,238
Educator Perception	<u>62,500</u>	<u>19,200</u>	<u>128,500</u>	<u>25,000</u>	<u>25,000</u>
General Fund	62,500	19,200	128,500	25,000	25,000

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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
English Language Learners Professional Development and Student Support Program	<u>27,000,000</u>	<u>27,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	27,000,000	27,000,000	0	0	0
Stipends for Nationally Board Certified Teachers	<u>2,100,396</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	2,100,396	0	0	0	0
Grow Your Own Educator Program	<u>17,852</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.3	0.0	0.0	0.0	0.0
General Fund	17,852	0	0	0	0
Retaining Teachers Fund	<u>3,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	3,000,000	0	0	0	0
Career Counseling Professional Development Program	<u>804,727</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	804,727	0	0	0	0
Transfer to the Department of Higher Education for Rural Teacher Recruitment, Retention, and Professional Development	<u>240,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	240,000	0	0	0	0

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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
English Language Proficiency Act Excellence Awards Program	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	500,000	0	0	0	0
Advanced Placement Incentives Pilot Program	<u>259,721</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.3	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	259,721	0	0	0	0
Local Accountability System Grant Program	<u>474,765</u>	<u>1,615</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.4	0.4	0.0	0.0	0.0
General Fund	474,765	1,615	0	0	0
Comprehensive Quality Physical Education Instruction Pilot Program	<u>53,429</u>	<u>315,841</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.4	0.0	0.0	0.0	0.0
Cash Funds	53,429	315,841	0	0	0
<b>SUBTOTAL - (IV) Professional Development and Instructional Support</b>	<b>47,054,913</b>	<b>37,493,434</b>	<b>17,246,485</b>	<b>18,307,648</b>	<b>17,179,675</b>
<b>FTE</b>	<b><u>15.6</u></b>	<b><u>18.1</u></b>	<b><u>18.1</u></b>	<b><u>17.0</u></b>	<b><u>17.0</u></b>
General Fund	9,426,939	4,161,941	11,097,416	12,128,812	11,000,839
Cash Funds	37,627,974	33,331,493	6,149,069	6,178,836	6,178,836
Federal Funds	0	0	0	0	0

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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>(V) Facility Schools</b>					
Facility Schools Unit and Facility Schools Board	<u>305,051</u>	<u>309,480</u>	<u>322,570</u>	<u>341,558</u>	<u>341,558</u>
FTE	2.0	3.0	3.0	3.0	3.0
Reappropriated Funds	305,051	309,480	322,570	341,558	341,558
Facility School Funding	<u>12,114,129</u>	<u>10,449,317</u>	<u>17,365,125</u>	<u>17,365,125</u>	<u>12,231,075</u>
Cash Funds	12,114,129	10,449,317	17,365,125	17,365,125	12,231,075
Additional Funding for Facility Schools	<u>0</u>	<u>0</u>	<u>5,700,000</u>	<u>0</u>	<u>0</u>
General Fund	0	0	5,700,000	0	0
Facility School Work Group	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>0</u>
General Fund	0	0	500,000	0	0
<b>SUBTOTAL - (V) Facility Schools</b>	<b>12,419,180</b>	<b>10,758,797</b>	<b>23,887,695</b>	<b>17,706,683</b>	<b>12,572,633</b>
FTE	<u>2.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
General Fund	0	0	6,200,000	0	0
Cash Funds	12,114,129	10,449,317	17,365,125	17,365,125	12,231,075
Reappropriated Funds	305,051	309,480	322,570	341,558	341,558
<b>(VI) Other Assistance</b>					
Appropriated Sponsored Programs	<u>739,557,171</u>	<u>333,687,054</u>	<u>268,754,705</u>	<u>268,343,009</u>	<u>694,326,924</u> *
FTE	67.1	62.1	62.1	56.1	56.1
Cash Funds	2,302,154	2,226,457	2,750,987	2,753,111	2,500,000
Reappropriated Funds	0	0	651,922	0	0
Federal Funds	737,255,017	331,460,597	265,351,796	265,589,898	691,826,924

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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
School Counselor Corps Grant Program	<u>10,171,390</u>	<u>9,999,848</u>	<u>12,250,000</u>	<u>12,260,970</u>	<u>12,260,970</u>
FTE	2.1	2.0	2.0	2.0	2.0
General Fund	250,000	0	250,000	250,000	250,000
Cash Funds	9,921,390	9,999,848	12,000,000	12,010,970	12,010,970
BOCES Funding per Section 22-5-122, C.R.S.	<u>3,282,209</u>	<u>3,258,753</u>	<u>3,318,280</u>	<u>3,320,784</u>	<u>3,320,784</u>
FTE	0.8	1.0	1.0	1.0	1.0
Cash Funds	3,282,209	3,258,753	3,318,280	3,320,784	3,320,784
Contingency Reserve Fund	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	1,000,000	1,000,000	1,000,000
Supplemental On-line Education Services	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,220,000</u>
Cash Funds	1,220,000	1,220,000	1,220,000	1,220,000	1,220,000
Teacher Recruitment Education and Preparation Program	<u>0</u>	<u>0</u>	<u>45,546</u>	<u>1,737,458</u>	<u>0</u>
FTE	0.0	0.0	0.5	0.4	0.0
General Fund	0	0	45,546	1,737,458	0
Interstate Compact on Educational Opportunity for Military Children	<u>21,668</u>	<u>21,308</u>	<u>21,298</u>	<u>21,298</u>	<u>21,298</u>
Cash Funds	21,668	21,308	21,298	21,298	21,298
Educator Recruitment and Retention Program - Financial Assistance	<u>0</u>	<u>0</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
General Fund	0	0	5,000,000	5,000,000	5,000,000

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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
College and Career Readiness	<u>229,007</u>	<u>226,504</u>	<u>226,622</u>	<u>232,731</u>	<u>232,731</u>
FTE	2.0	1.9	2.4	2.4	2.4
General Fund	229,007	226,504	226,622	232,731	232,731
Workforce Diploma Pilot Program	<u>1,012,201</u>	<u>208,585</u>	<u>212,222</u>	<u>212,878</u>	<u>0</u>
FTE	0.2	0.2	0.2	0.2	0.0
General Fund	1,012,201	208,585	212,222	212,878	0
Concurrent Enrollment Expansion and Innovation Grant Program	<u>1,499,850</u>	<u>1,411,710</u>	<u>3,226,896</u>	<u>1,476,896</u>	<u>1,476,896</u>
FTE	0.2	0.5	0.0	0.0	0.0
Cash Funds	1,499,850	1,411,710	3,226,896	1,476,896	1,476,896
Part C Early Intervention Activities Conducted by Administrative Units	<u>0</u>	<u>0</u>	<u>6,888,983</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	0	0	6,888,983	0	0
Colorado High-impact Tutoring Program	<u>0</u>	<u>0</u>	<u>4,981,720</u>	<u>4,980,098</u>	<u>4,980,098</u>
FTE	0.0	0.0	1.1	1.1	1.2
General Fund	0	0	4,981,720	4,980,098	4,980,098
John W. Buckner Automatic Enrollment in Advanced Courses Grant Program	<u>50,000</u>	<u>0</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
FTE	0.2	0.0	0.3	0.3	0.3
General Fund	50,000	0	250,000	250,000	250,000
Early Childhood Program Transition	<u>0</u>	<u>0</u>	<u>96,867</u>	<u>98,787</u>	<u>98,787</u>
FTE	0.0	0.0	0.9	1.0	1.0
General Fund	0	0	96,867	98,787	98,787

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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
High School Innovative Learning Pilot Program	<u>129,293</u>	<u>115,632</u>	<u>347,210</u>	<u>417,247</u>	<u>349,039</u>
FTE	0.2	0.6	0.6	0.6	0.6
General Fund	129,293	115,632	347,210	417,247	349,039
Fourth-year Innovation Pilot Program - Distributions to LEPs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>68,208</u>
General Fund	0	0	0	0	68,208
Parents Encouraging Parents Conferences	<u>39,947</u>	<u>0</u>	<u>68,000</u>	<u>68,000</u>	<u>68,000</u>
General Fund	39,947	0	68,000	68,000	68,000
Career Development Success Program	<u>5,000,000</u>	<u>4,500,000</u>	<u>6,270,000</u>	<u>4,520,000</u>	<u>4,520,000</u>
General Fund	5,000,000	4,500,000	4,520,000	4,520,000	4,520,000
Cash Funds	0	0	1,750,000	0	0
Connecting Colorado Students Grant Program Fund	<u>0</u>	<u>20,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	20,000,000	0	0	0
<b>SUBTOTAL - (VI) Other Assistance</b>	762,212,736	374,649,394	314,178,349	305,160,156	729,193,735
FTE	<u>72.8</u>	<u>68.6</u>	<u>71.1</u>	<u>65.1</u>	<u>64.6</u>
General Fund	6,710,448	25,050,721	15,998,187	17,767,199	15,816,863
Cash Funds	18,247,271	18,138,076	25,287,461	21,803,059	21,549,948
Reappropriated Funds	0	0	7,540,905	0	0
Federal Funds	737,255,017	331,460,597	265,351,796	265,589,898	691,826,924

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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (C) Grant Programs, Distributions, and Other Assistance</b>	1,285,007,936	959,452,366	903,012,699	824,022,370	1,312,451,270
<i>FTE</i>	<u>140.3</u>	<u>131.0</u>	<u>138.4</u>	<u>132.3</u>	<u>131.8</u>
General Fund	20,192,731	31,128,919	36,663,512	33,268,425	30,440,116
Cash Funds	351,847,896	328,925,619	436,372,347	368,013,527	433,033,710
Reappropriated Funds	1,160,509	434,986	8,044,184	524,244	524,244
Federal Funds	911,806,800	598,962,842	421,932,656	422,216,174	848,453,200
<b>(D) Indirect Cost Assessment</b>					
Indirect Cost Assessment	<u>2,756,885</u>	<u>0</u>	<u>3,595,113</u>	<u>3,627,060</u>	<u>3,837,060</u>
Cash Funds	25,000	0	25,000	25,000	25,000
Reappropriated Funds	55,571	0	55,571	55,571	55,571
Federal Funds	2,676,314	0	3,514,542	3,546,489	3,756,489
<b>SUBTOTAL - (D) Indirect Cost Assessment</b>	2,756,885	0	3,595,113	3,627,060	3,837,060
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	25,000	0	25,000	25,000	25,000
Reappropriated Funds	55,571	0	55,571	55,571	55,571
Federal Funds	2,676,314	0	3,514,542	3,546,489	3,756,489
<b>TOTAL - (2) Assistance to Public Schools</b>	6,990,474,206	5,772,843,891	6,279,369,836	6,434,167,954	6,785,017,329
<i>FTE</i>	<u>271.1</u>	<u>205.6</u>	<u>229.9</u>	<u>223.8</u>	<u>223.3</u>
General Fund	3,846,991,002	3,967,675,357	3,377,785,647	3,374,437,705	3,540,998,359
General Fund Exempt	523,323,333	0	865,284,199	865,284,199	865,284,199
Cash Funds	1,000,515,594	1,021,037,138	1,435,031,122	1,600,067,575	1,357,909,270
Reappropriated Funds	2,939,416	2,220,960	8,290,845	770,905	770,905
Federal Funds	1,616,704,861	781,910,436	592,978,023	593,607,570	1,020,054,596



*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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**(3) LIBRARY PROGRAMS**

ated reading services for the blind and are reflected as reappropriated funds.

Administration	<u>932,133</u>	<u>990,378</u>	<u>1,180,700</u>	<u>1,203,168</u>	<u>1,203,168</u>
FTE	14.0	14.3	14.3	14.3	14.3
General Fund	887,416	885,342	913,287	935,755	935,755
Cash Funds	44,717	105,036	267,413	267,413	267,413
Federal Library Funding	<u>2,491,567</u>	<u>3,203,798</u>	<u>3,236,610</u>	<u>3,293,558</u>	<u>3,293,558</u>
FTE	24.0	23.8	23.8	23.8	23.8
Federal Funds	2,491,567	3,203,798	3,236,610	3,293,558	3,293,558
Colorado Library Consortium	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
General Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Colorado Virtual Library	<u>359,796</u>	<u>359,371</u>	<u>379,796</u>	<u>379,796</u>	<u>379,796</u>
General Fund	359,796	359,371	359,796	359,796	359,796
Cash Funds	0	0	20,000	20,000	20,000
Colorado Talking Book Library	<u>340,493</u>	<u>288,917</u>	<u>340,660</u>	<u>346,146 2.7</u>	<u>346,146 2.7</u>
General Fund	90,493	90,660	90,660	90,660	96,146
Reappropriated Funds	250,000	198,257	250,000	255,486	250,000
Reading Services for the Blind	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>
General Fund	50,000	50,000	50,000	50,000	50,000
Reappropriated Funds	510,000	510,000	510,000	510,000	510,000

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
State Grants to Publicly-Supported Libraries Program	<u>2,988,649</u>	<u>0</u>	<u>3,001,519</u>	<u>3,001,519</u>	<u>3,001,519</u>
General Fund	2,988,649	0	3,001,519	3,001,519	3,001,519
Cash Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado Imagination Library Program	<u>0</u>	<u>0</u>	<u>410,221</u>	<u>907,140</u>	<u>907,140</u>
General Fund	0	0	410,221	907,140	907,140
Cash Funds	0	0	0	0	0
Indirect Cost Assessment	<u>55,327</u>	<u>0</u>	<u>55,327</u>	<u>55,327</u>	<u>55,327</u>
General Fund	0	0	0	0	0
Federal Funds	55,327	0	55,327	55,327	55,327
<b>TOTAL - (3) Library Programs</b>	8,727,965	6,402,464	10,164,833	10,746,654	10,746,654
<i>FTE</i>	<u>38.0</u>	<u>38.1</u>	<u>38.1</u>	<u>40.8</u>	<u>40.8</u>
General Fund	5,376,354	2,385,373	5,825,483	6,344,870	6,350,356
Cash Funds	44,717	105,036	287,413	287,413	287,413
Reappropriated Funds	760,000	708,257	760,000	765,486	760,000
Federal Funds	2,546,894	3,203,798	3,291,937	3,348,885	3,348,885

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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**(4) SCHOOL FOR THE DEAF AND THE BLIND**

School Funding section above), as well as federal funds transferred from local school districts. Cash funds consist of fees paid by individuals for workshops and conferences and housing reimbursements.

**(A) School Operations**

Personal Services	<u>10,920,568</u>	<u>11,224,253</u>	<u>11,553,296</u>	<u>12,229,297</u>	<u>12,192,118</u> *
FTE	136.6	153.1	153.1	153.1	153.1
General Fund	9,388,592	9,802,338	9,848,996	10,490,524	10,536,388
Reappropriated Funds	1,531,976	1,421,915	1,704,300	1,738,773	1,655,730
 Early Intervention Services	 <u>1,227,016</u>	 <u>1,262,555</u>	 <u>1,281,000</u>	 <u>1,310,372</u>	 <u>1,310,372</u>
FTE	10.5	10.0	10.0	10.0	10.0
General Fund	1,227,016	1,262,555	1,281,000	1,310,372	1,310,372
 Shift Differential	 <u>77,086</u>	 <u>55,489</u>	 <u>86,754</u>	 <u>141,569</u>	 <u>141,569</u> *
General Fund	77,086	55,489	86,754	141,569	141,569
 Operating Expenses	 <u>682,770</u>	 <u>633,586</u>	 <u>668,291</u>	 <u>733,291</u>	 <u>733,291</u> *
General Fund	682,770	633,586	668,291	733,291	733,291
 Vehicle Lease Payments	 <u>19,887</u>	 <u>29,508</u>	 <u>37,040</u>	 <u>36,302</u>	 <u>36,302</u>
General Fund	19,887	29,508	37,040	36,302	36,302
 Utilities	 <u>562,620</u>	 <u>588,976</u>	 <u>735,826</u>	 <u>687,122</u>	 <u>745,981</u> *
General Fund	562,620	588,976	735,826	687,122	745,981

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Allocation of State and Federal Categorical Program					
Funding	<u>114,463</u>	<u>246,088</u>	<u>170,000</u>	<u>172,846</u>	<u>187,846</u>
FTE	0.9	0.4	0.4	0.4	0.4
Reappropriated Funds	114,463	246,088	170,000	172,846	187,846
Medicaid Reimbursements for Public School Health					
Services	<u>262,282</u>	<u>152,203</u>	<u>425,641</u>	<u>429,046</u>	<u>429,046</u>
FTE	1.4	1.5	1.5	1.5	1.5
Reappropriated Funds	262,282	152,203	425,641	429,046	429,046
<b>SUBTOTAL - (A) School Operations</b>	13,866,692	14,192,658	14,957,848	15,739,845	15,776,525
FTE	<u>149.4</u>	<u>165.0</u>	<u>165.0</u>	<u>165.0</u>	<u>165.0</u>
General Fund	11,957,971	12,372,452	12,657,907	13,399,180	13,503,903
Reappropriated Funds	1,908,721	1,820,206	2,299,941	2,340,665	2,272,622

**(B) Special Purpose**

Fees and Conferences	<u>75,030</u>	<u>41,384</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Cash Funds	75,030	41,384	120,000	120,000	120,000
Outreach Services	<u>464,331</u>	<u>469,949</u>	<u>1,000,000</u>	<u>1,005,509</u>	<u>1,000,000</u>
FTE	3.6	6.2	6.2	6.2	6.2
Cash Funds	326,617	353,572	750,000	751,339	750,000
Reappropriated Funds	137,714	116,377	250,000	254,170	250,000
Tuition from Out-of-state Students	<u>1,412</u>	<u>57,639</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Cash Funds	1,412	57,639	200,000	200,000	200,000

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
Grants	<u>525,951</u>	<u>532,204</u>	<u>1,000,000</u>	<u>1,004,554</u>	<u>1,000,000</u>
FTE	3.9	6.0	6.0	6.0	6.0
Reappropriated Funds	525,951	0	1,000,000	1,004,554	1,000,000
Federal Funds	0	532,204	0	0	0
<b>SUBTOTAL - (B) Special Purpose</b>	1,066,724	1,101,176	2,320,000	2,330,063	2,320,000
FTE	<u>7.5</u>	<u>12.2</u>	<u>12.2</u>	<u>12.2</u>	<u>12.2</u>
Cash Funds	403,059	452,595	1,070,000	1,071,339	1,070,000
Reappropriated Funds	663,665	116,377	1,250,000	1,258,724	1,250,000
Federal Funds	0	532,204	0	0	0
<b>TOTAL - (4) School for the Deaf and the Blind</b>	14,933,416	15,293,834	17,277,848	18,069,908	18,096,525
FTE	<u>156.9</u>	<u>177.2</u>	<u>177.2</u>	<u>177.2</u>	<u>177.2</u>
General Fund	11,957,971	12,372,452	12,657,907	13,399,180	13,503,903
Cash Funds	403,059	452,595	1,070,000	1,071,339	1,070,000
Reappropriated Funds	2,572,386	1,936,583	3,549,941	3,599,389	3,522,622
Federal Funds	0	532,204	0	0	0
<b>TOTAL - Department of Education</b>	7,132,369,071	5,899,453,573	6,432,027,105	6,609,532,374	6,963,565,749
FTE	<u>637.4</u>	<u>591.1</u>	<u>614.4</u>	<u>619.7</u>	<u>624.1</u>
General Fund	3,888,769,760	4,002,952,830	3,428,877,344	3,437,704,840	3,591,837,145
General Fund Exempt	523,323,333	0	865,284,199	865,284,199	865,284,199
Cash Funds	1,041,012,298	1,062,805,033	1,469,771,240	1,634,426,882	1,393,746,600
Reappropriated Funds	30,153,521	27,157,464	47,339,278	50,404,631	64,161,890
Federal Funds	1,649,110,159	806,538,246	620,755,044	621,711,822	1,048,535,915